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## **GKV Capital Management Co., Inc.**

March 21, 2024

ADV Part 2 Firm Brochure

This Brochure provides information about the qualifications and business practices of GKV Capital Management. If you have any questions about the contents of this Brochure, please contact us at (805) 497-2616 or email us at [greg@gkvcapital.com](mailto:greg@gkvcapital.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about GKV Capital Management also is available at [www.GKVcapital.com](http://www.GKVcapital.com) and on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Item 1: Material Changes***

**The following changes have been made to this Brochure since its last annual filing on March 18<sup>th</sup>, 2023 as defined by SEC rules and requirements:**

***Item 4: Held Away Accounts:*** We implement investment advice on behalf of certain clients in held-away accounts that are maintained at independent third-party custodians. These held-away accounts are often 401(k) accounts, 529 plans and other assets that are not held at our primary custodian(s).

The order management system that we use for held-away accounts is provided by Pontera Solutions, Inc. We review, monitor, and manage these held-away accounts in an integrated way with client accounts held at our primary custodian(s). Further information about this service is available in Item 5.

**There are no further material changes to this document from last year's document dated March 18, 2023.**

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Currently, our brochure may be requested by contacting Greg Vogel, President at (805) 497-2616 or [greg@gkvcapital.com](mailto:greg@gkvcapital.com). This brochure is also available on our web site [www.gkvcapital.com](http://www.gkvcapital.com), free of charge.

Additional information about GKV Capital Management is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with GKV Capital who are registered, or are required to be registered, as investment adviser representatives of GKV.

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#### **Item 4: Advisory Business**

GKV Capital Management Co., Inc. was founded in 1975 for the purpose of providing discretionary portfolio management services on behalf of clients. GKV manages individual investment accounts for which the company charges a fee.

GKV Capital Management was founded by Peter W. Vogel. He remains as a portfolio manager. Greg Vogel is the President and CEO and is the principal owner of the company.

GKV exclusively provides investment supervisory services to its clients. The firm makes investment decisions on behalf of its clients. Investment portfolios include, but are not limited to investments in common stocks, bonds, trust deed loans, real estate and options for both individuals and institutions.

GKV manages separate accounts for its clients. This enables each client account to be managed specifically to the requirements of that client. The investment objective and portfolio structure of each account is individually designed according to the goals of each respective client. Restrictions, such as investment in certain types of securities or individual securities can be made at the request of the client. Client accounts are managed as discretionary accounts, meaning GKV makes investment decisions on behalf of its clients. As of January 1, 2023, total discretionary assets under management were \$265,744,000.

#### **EXECUTIVE OFFICERS AND INVESTMENT PROFESSIONALS**

**Gregory P. Vogel.** Mr. Vogel joined GKV Capital in 2003 and is the firm's principal owner. Prior to that, he was a Managing Director and Equity Research Analyst in the technology group at Bank of America Securities covering the software industry. His coverage included Microsoft, Adobe Systems, Oracle, BEA Systems, and Macromedia. Mr. Vogel started at Montgomery Securities in 1994. In 1999 the firm was acquired by NationsBank and became Bank of America Securities after the subsequent acquisition of Bank of America.

Mr. Vogel has been a regular guest on financial television including CNBC and CNN and has been frequently mentioned in the business press including The Wall Street Journal, Business Week, Forbes and other national financial publications. In 2000, Mr. Vogel was ranked in The Wall Street Journal's "Best on the Street" analyst survey for his coverage of the software industry.

Mr. Vogel received a BA in philosophy from the University of California at Santa Barbara.

**Peter W. Vogel.** Mr. Vogel founded GKV Capital Management Company in 1975 and is the Chief Investment Officer. He started his career as a portfolio manager of institutional and individual portfolios at Citibank. While at Citibank he was also responsible for management supervision of privately held companies in which Citibank exercised a fiduciary responsibility. After his tenure at Citibank, he became President and CEO of New West Equities, an investment

management company with assets of approximately \$250 million. Prior to creating GKV Capital, he was also a senior portfolio manager at Western Asset Management Company, a subsidiary of Wells Fargo Bancorp. He was responsible for the management of institutional equity portfolios worth about \$1 billion. He remained at Western Asset Management until establishing GKV Capital.

Mr. Vogel received his MBA in finance from Columbia University Graduate School of Business and a BA in English from Colgate University.

**Supervision:** Each of GKV Capital's Investment Professionals is supervised by Greg Vogel, President and Chief Compliance Officer. The location is the Corporate Offices located at 1350 Treat Blvd., Suite 260, Walnut Creek, CA 94597, 925-627-8680. Investment recommendations are supervised and monitored during their development and prior to the Investment Policy Statement being signed by the client and Greg Vogel. Financial Planning recommendations are presented, discussed and agreed upon based on the Investment Professional's analysis and the combined efforts of the individual and Greg Vogel. Finally, all trading in client accounts originates from the Walnut Creek, California office and only Greg Vogel has trading authority on client accounts with Pershing Advisor Solutions.

**Held Away Accounts:** We implement investment advice on behalf of certain clients in held-away accounts that are maintained at independent third-party custodians. These held-away accounts are often 401(k) accounts, 529 plans and other assets that are not held at our primary custodian(s).

The order management system that we use for held-away accounts is provided by Pontera Solutions, Inc. We review, monitor, and manage these held-away accounts in an integrated way with client accounts held at our primary custodian(s). Further information about this service is available in Item 5.

#### ***Item 5: Fees and Compensation***

All fees are subject to negotiation. The maximum fee schedule calculated for various asset classes is included below:

1.0% on the first \$3,000,000

¾ of 1% on the next \$2,000,000

½ of 1% on the next \$1,000,000

The minimum annual fee is \$5,000

The specific way fees are charged by GKV Capital is established in a client's written agreement with GKV Capital. Fees are invoiced on a quarterly basis. Clients are billed at the beginning of each calendar quarter based upon the market value of each respective account the end of the previous quarter. Clients may elect to be billed directly or to authorize GKV Capital to debit its

fees from client accounts. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Some clients pay a fixed fee instead of a fee based on percentage of assets under management. This fixed annual fee is negotiated individually with each applicable client.

GKV's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to GKV Capital's fee, and GKV Capital does not receive any portion of these commissions, fees, and costs.

Neither GKV Capital, nor any of its employees receives commission compensation from an outside 3<sup>rd</sup> party from the sale of an investment or recommendation of any investment vehicle to clients.

For certain clients, GKV Capital Management charges an advisory fee for services provided to the held-away accounts mentioned above in Item 4, just as it does with client accounts held at its primary custodians(s). The specific fee schedule charged by GKV Capital is provided in the client's investment advisory agreement with us.

**Termination of the Advisory Relationship:** Either party may terminate the advisory agreement signed with our firm in writing at any time. Clients who were billed in advance will receive a pro-rata refund of the unearned portion of the advisory fees charged at the beginning of the quarter.

***Item 6: Performance-Based Fees and Side-by-Side Management***

GKV does not charge any performance-based fees (fees based on a percentage share of a client's realized capital gains or capital appreciation from assets managed by GKV).

***Item 7: Types of Clients***

GKV provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, partnerships, charitable institutions, corporations, foundations, endowments, and other U.S. and international institutions. GKV usually requires that clients maintain a minimum asset under management value of \$500,000.

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

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

GKV works with each client individually to assess an investment risk profile and to develop a guideline portfolio structure based on various asset classes. GKV manages all client accounts separately and is therefore able to manage each client's portfolio in a manner that is tailored to the client's needs, including consideration for risk appetite, taxes, political wishes, and any other desires. Typically, a lower risk portfolio will include a greater proportion of fixed income securities relative to historically more volatile equities. Clients with a significantly greater tolerance for risk may request GKV leverage their portfolio through the purchase or sale of securities on margin. Additionally, the use of investment strategies that incorporate the use of options or selling securities short may be used for clients requesting such strategies. GKV will restrict the use of these strategies to appropriate portfolios where GKV believes the client understands the risks involved in such investment practices.

GKV does not limit investments to particular asset classes but primarily focuses on equities (stocks), fixed-income (bonds) and real-estate. Investment decisions are proposed and executed by the investment committee comprised of two portfolio managers, Peter Vogel and Greg Vogel.

Each asset class has its own inherent risks of loss. Although fixed-income investments are historically more stable than equities, companies and governments can and do default on loans from time to time resulting in significant loss of principal and interest. Trading fixed-income securities can also result in losses due to capital depreciation, generally as the result of rising interest rates. Equities are not principal protected assets and their value can fluctuate substantially based generally on the financial outlook of a company. Unexpected events can materially change a company's prospects resulting in significant losses. Real-estate investments also carry risks of significant capital losses and have the additional risk of illiquidity, or the inability to quickly sell a security.

GKV takes a simultaneous top-down and bottom-up approach to the analysis of investments. Managers analyze the macro-economic environment to identify asset classes and economic sectors that are attractive for investment. In tandem, individual companies, municipalities, and real-estate opportunities are analyzed using a fundamental earnings approach to identify potential investment candidates. For example, an expected improving economic environment will generally lead to an increase in the equity holdings of a portfolio and a reduction of cash and/or fixed income. The individual equities purchased will be identified through a fundamental analysis of that business and its future prospects. When either the macro-economic environment appears to worsen, or the fundamentals of that investment weaken, the security will be sold.

GKV investments are generally long-term averaging approximately 12-months. However, investment decisions are driven solely by the outlook and expected performance of the investment resulting in holding periods both considerably longer and considerably shorter than that average. Any material change in the outlook will result in a shift in strategy. This investment technique is often referred to as market-timing. There is risk in this technique, in

that if the timing is wrong, investment performance can be worse than the major benchmarks for that asset class. Additionally, frequent trading will incur transaction costs, such as brokerage fees.

For the measure of equity performance, GKV generally suggests that clients compare the performance of the S&P 500 index to our equity performance. For fixed income, or bonds, GKV suggests comparison to the Barclays Aggregate U.S. Bond index. In all our quarterly correspondence, we compare our results to the S&P 500, the U.S. Bond index as well as the Dow Jones Industrial Average and the NASDAQ market for the same period.

***Item 9: Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of GKV or the integrity of GKV's management. GKV has no information applicable to this Item. GKV has never been subject to any legal or disciplinary action and no legal or disciplinary events are pending.

***Other Financial Industry Activities and Affiliations***

Neither GKV nor its officers are involved in other financial industry activities or affiliations beyond the financial advisory business outlined above.

***Item 11: Code of Ethics***

GKV may periodically recommend to clients that they buy or sell securities or investment products in which GKV or a related person has some financial interest. GKV also buys or sells for itself securities that it also recommends to clients.

GKV has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at GKV must acknowledge the terms of the Code of Ethics annually, or as amended.

GKV anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which GKV has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which GKV, its affiliates and/or clients, directly or indirectly, have a position of interest. GKV's employees and persons associated with GKV are required to follow GKV's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of GKV and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for GKV's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of GKV will not



interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of GKV's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between GKV and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with GKV's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. GKV will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

GKV's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Greg Vogel at 805-497-2616 or via email at [greg@gkvcapital.com](mailto:greg@gkvcapital.com).

It is GKV's policy that the firm will not affect any principal or agency cross securities transactions for client accounts without written authorization from all parties. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

#### ***Item 12: Brokerage Practices***

GKV Capital generally has full discretionary authority, without consulting with its client on a transaction-by-transaction basis, to manage the client's account, including the power to decide:

- (a) which securities or other investment products to buy, sell or hold for a client's account.
- (b) the amounts of and prices at which such securities or other investments will be bought, sold or held.

- (c) the broker-dealer or other intermediary which will be used to effect transactions for clients' accounts, subject to the investment objectives and any restrictions or directions specified by the client and accepted by GKV Capital in writing.

GKV Capital will always recommend an unaffiliated broker-dealer where clients may establish accounts to be managed by GKV Capital and place custody of account assets. In recommending these broker-dealers, GKV Capital takes into account the range and quality of services provided by the broker-dealer to the client and to GKV Capital in its capacity as discretionary investment manager for the client's account, including, but not limited to, the broker-dealer's computer software and support systems that enable GKV Capital to access on-line account information, generate account statements and reports and place orders to buy or sell securities for the account. GKV Capital attempts to aggregate and route client trades through our Pershing Advisor Solutions Average Price Account so that clients purchasing the same security at the same time receive pricing that is similar. We reserve the right to trade accounts on an individual basis if in our sole discretion we believe this will result in a better, more accurate outcome for the client.

***Item 13: Review of Accounts***

All clients' portfolios are reviewed internally by GKV on a continuous basis. GKV manages a small number of portfolios which permits this intensive type of review. Formal investment review statements are sent to each client at least quarterly, and more often if requested, and all security transactions are almost immediately communicated to the appropriate client whenever they are completed, generally in the form of brokerage firm confirms. Each client's portfolio, either partially or in its entirety, is reviewed with the client by GKV by telephone, email and written correspondence. Each account is reviewed by GKV with each client in person at least twice annually, if possible. All account reviews are done by Greg Vogel, President of GKV or Peter Vogel, Vice-President. Contemplated changes in an account often trigger account reviews with each client. Peter W. Vogel and Greg Vogel are solely responsible for all investment decisions made by GKV in clients' portfolios.

Reports are furnished quarterly, or more frequently if requested, to clients. Reports contain a summary of all assets in an account including their cost, market value, date acquired, estimated annual income, current yield, yield to maturity, unrealized gain or loss, current unit market value and percent weighting of each asset to the total portfolio. Separate schedules showing all purchases and sales each quarter, realized capital gains and losses, dividend and interest income, capital changes during the period and investment performance of the past quarter, year to date and since inception of GKV's management are also provided in each client's quarterly and annual investment report furnished by GKV.

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

GKV does not currently compensate any individuals or entities for making referrals to the firm. This includes both employees of GKV as well as independent third parties.

**Item 15: Custody**

GKV does not retain physical possession of funds and/or securities owned by clients. GKV does not serve as physical custodian for client assets. We employ independent, third-party custodians (Pershing Advisor Solutions and TD Ameritrade Institutional). GKV, or a principal of GKV, may act as trustee of a client's assets at the written request of a client.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. GKV urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Variations in our statements and the statements of the custodian should be able to be reconciled to the client's satisfaction.

**Item 16: Investment Discretion**

GKV usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and quantity of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities, and determining amounts, GKV observes the investment policies, limitations, and restrictions of the clients for which it advises. For registered investment companies, GKV's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to GKV in writing.

**Item 17: Voting Client Securities**

As a matter of firm policy and practice, GKV does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. GKV may provide advice to clients if requested regarding the clients' voting of proxies.

**Item 18: Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about GKV's financial condition. GKV has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.