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This brochure provides information about the qualifications and business practices of Novus Advisors, LLC (“Novus”). If you have any questions about the contents of this brochure, please contact Novus at (864) 272-3579 and/or [info@novusadvisors.com](mailto:info@novusadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Novus is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search for Novus by using our CRD number which is 157908.

Novus is registered with the SEC. However, this registration, while required by law, does not indicate any established or set level or skill or training on our part.

## **MATERIAL CHANGES**

This section only discusses any material changes to this Form ADV Part 2A disclosure document which we will refer to in this document as the brochure. Since the date of our last annual update to this brochure which was March 28, 2019, there have been no material changes to the information in this brochure.

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## ADVISORY BUSINESS

Novus has been in business since 2011. The principal owners of Novus are Jennifer M. Belshe, Member and Christopher G. Connelly, Member.

Novus provides its clients with investment advisory services consisting of discretionary and non-discretionary asset management through the use of equity, fixed income and balanced portfolios. This may involve the use of mutual fund and exchange-traded fund portfolios and/or the purchase and sale of individual securities which Novus may implement for clients directly. In addition, where deemed appropriate, Novus may provide access to particular investment products such as fixed-indexed annuities or other insurance products through an affiliated company. Novus' services and processes are designed to determine and address each client's specific investment needs through formulation of an asset allocation strategy tailored to meet the client's financial situation, objectives, time horizon, income needs and risk tolerance. Clients may also impose restrictions on Novus' ability to implement particular types of investments on his or her behalf.

Novus offers various levels of advisory and consulting services to employee benefit plans ("Plans") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors ("Plan Sponsors") in meeting their management and fiduciary obligations to the Participants under the Employee Retirement Income Securities Act ("ERISA") and the Pension Protection Act of 2006 ("PPA"). Generally, investment advice provided to Plan Sponsors and Participants is also regulated under ERISA and the PPA. Novus will provide services to Plan Sponsors and their Participants in the form of education services to Plan committees, Participant education services, developing an investment policy statement, providing investment recommendations and performance monitoring, selection of Qualified Default Investment Alternative ("QDIA"), and providing general information about the Plan to Plan Sponsors and Participants. Plan Sponsors must make the ultimate decision to retain Novus for pension consulting and other advisory services including, but not limited to, services at the Participant level. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

*For ERISA Non-Discretionary Services rendered hereunder, Novus acknowledges that it will be acting as a fiduciary to the plan pursuant to ERISA and the Investment Advisers Act of 1940.*

*Novus does not provide legal, tax or accounting advice or services and clients should not assume that Novus is providing such services at any time. Also, clients should understand that, generally speaking, securities or other investments for which Novus provides advice to clients are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency and that neither Novus nor any of its affiliated companies is a trust or banking institution.*

As of 12/31/2019, Novus managed \$154,885,914 in assets.

## FEES AND COMPENSATION

Novus is solely compensated for its investment advisory services by charging the client a management fee based on the market value of the client's assets under our management based upon the fee schedule set forth below:

<u>Market Value</u>	<u>Fee</u>
Under \$250,000	1.25%
\$250,001 to \$1,000,000	1.00%
\$1,000,001 to \$5,000,000	0.85%
\$5,000,001 to \$10,000,000	0.65%
Over \$10,000,000	0.50%

Fees are billed quarterly in advance based upon the market value of the assets at the end of the preceding quarter. If the client's relationship with Novus begins or ends during a calendar quarter, the client's fee will be prorated for the appropriate number of days completed or remaining in the quarter and, where applicable, the client will be issued a refund for the portion of his or her quarterly fee paid in advance which was otherwise unearned.

Novus may negotiate the amount of the client's fee depending upon circumstances including but not limited to account composition and complexity, other client, employee or family relationships, etc. which may result in different fees being charged by Novus for client accounts similar in composition and objectives. Novus employees and their family related accounts may be charged a reduced fee, or no fee, for our services.

The client may pay his or her fee to Novus directly upon receipt of an invoice from Novus or the client may authorize his or her custodian to directly debit Novus' fee from his or her account or accounts upon request. If the client chooses the latter method, his or her custodian will not confirm Novus' fee but will pay the amount based on the fee amount communicated to the custodian and send Novus' fee directly them. Novus will receive a periodic statement from the client's custodian which will show the amount of the fee which has been sent to Novus. The client should confirm the accuracy of Novus' fee calculation upon receipt of the custodian's statement.

Employees of Novus are licensed to sell insurance products and may receive compensation in the form of insurance commissions or similar fees as a result of the purchase or sale by clients of fixed-indexed annuities or other products such as life, health, long-term care or disability insurance through Novus Wealth Management, LLC which is affiliated with Novus through common ownership and which may also receive compensation as a result of the purchase or sale by our clients of fixed-indexed annuities or other insurance products described above. If a client purchases one or more of these forms of insurance through Novus Wealth Management, LLC, compensation in the form of commissions will be earned by the employees of Novus Advisors. This presents a conflict of interest on Novus' part since Novus may have an incentive to recommend these fixed-indexed annuities or other insurance products based on the compensation Novus or its affiliate, Novus Wealth Management, LLC, may receive as a result of the transaction. However, this conflict of interest is addressed by the transaction being reviewed on the client's behalf prior to being completed and by this disclosure of the conflict of interest. The client also has the option to purchase fixed-indexed annuities or other insurance products through another firm or individual of his or her choosing and is not obligated to purchase them through Novus Wealth Management, LLC,

or to purchase them at all. Please refer to the section on OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS below for more information.

For the retirement plan advisory business in which Novus participates described in the section on ADVISORY BUSINESS above, Novus is paid a percentage of plan assets which generally ranges from 0.35% to 1.10%. Novus' fee is deducted from plan assets on a monthly basis by a third-party administrator and is paid directly to Novus.

The fees the client pays to Novus does not include brokerage commissions or other fees or charges associated with securities transactions implemented with or through a brokerage firm, mark-ups or mark-downs in principal transactions, deferred sales charges, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation all of which will be charged to the client in addition to Novus' fee. Novus does not receive any portion of any of the foregoing expenses or fees. The client should go to the section on BROKERAGE PRACTICES in this brochure for more information on how Novus selects or recommends brokerage firms for its client's securities transactions and information related to that process.

Clients should understand that mutual funds and exchange-traded funds, in which his or her assets are invested by Novus or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which clients will be charged separately from the fee paid to Novus for its services.

Clients should be aware that similar or comparable services may be available from other firms including other investment management firms at a cost higher or lower than that available through Novus.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

This section does not apply to Novus.

## **TYPES OF CLIENTS**

Novus' clients include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations or similar business entities and Taft-Hartley plans. Novus does not have a minimum account size.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Novus' primary method of investment analysis and investment strategies involve the use of fundamental analysis which is the analysis of a company's financial statements, its management, competitive advantages, markets, etc.

The securities that Novus uses in its investment strategies and investment advice include equity securities such as exchange listed securities, securities traded over the counter and foreign issues; warrants; debt securities of corporations and similar entities; commercial paper; certificates of deposit; municipal and government securities and investment company securities such as mutual fund shares.

Investing in securities such as the types of securities used by Novus in managing client assets or providing investment advice involves the potential risk of loss in the value of the securities both in the amount invested in

the securities as well as any profits which have not been realized by selling the securities. Clients should be prepared to bear the risk of such losses. The degree of risk depends upon the type of security or strategy involved.

## **DISCIPLINARY HISTORY**

This section does not apply to Novus or any of its employees.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Jennifer M. Belshe and Christopher G. Connelly, the owners of Novus, are also corporate officers and owners of Novus Wealth Management, LLC, a financial firm in Greenville, South Carolina which provides services to individuals and entities for investment and planning purposes including insurance products. Novus Advisors, LLC and Novus Wealth Management, LLC operate as separate and distinct entities in terms of services provided.

As licensed insurance agents through Novus Wealth Management, LLC, Novus' owners and employees may offer insurance products to advisory clients and receive normal and customary commissions if a client makes a purchase. This presents a conflict of interest between Novus and the client because these associates may have an incentive to recommend insurance products as a result of the commission. When recommending commissionable products to advisory clients, these licensed insurance agents have a fiduciary duty to recommend products that are in the best interest of the client regardless of whether they are receiving a commission on this product. Clients also have the option to purchase fixed-indexed annuities or other insurance products through another firm or individual of his or her choosing and are not obligated to purchase them through Novus Wealth Management, LLC, or to purchase them at all.

Lafayette Advisors, LLC is a registered investment adviser which is affiliated through ownership with Novus. Novus' owners are also owners, officers, managers or employees of Lafayette Advisors, LLC, and share office space with Lafayette Advisors, LLC. Novus may recommend the advisory services of Lafayette Advisors, LLC to its clients. This presents a conflict of interest since Novus' owners, officers, directors or employees also have an ownership interest in Lafayette Advisors, LLC and may have a financial incentive to recommend the advisory services of Lafayette Advisors, LLC. We address this conflict of interest by full and fair disclosure to our clients.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Novus has adopted a written Code of Ethics which contains certain restrictions applicable to effecting transactions in securities by its employees' personal accounts in order to seek to avoid conflicts of interest with transactions being effected in client accounts. Novus' employees may buy or sell the same securities that are bought or sold for its clients. This presents a conflict of interest between Novus' employees' own financial interest and the best interest of its clients. Novus addresses this conflict of interest by reviewing its employee's personal transactions for patterns of trading which are inconsistent with the financial interests of clients.

Pre-approval must also be obtained by employees before investing in a private placement of securities. Novus' employees are required to submit quarterly reports relating to their personal transactions and an annual report of

their personal securities holdings to the firm. Novus' Code of Ethics also contains policies and procedures which are intended to prevent the misuse of material non-public information. A copy of Novus' Code of Ethics is available upon request by contacting Novus through the contact information provided on the Cover Page of this brochure.

## **BROKERAGE PRACTICES**

Novus considers the following factors in selecting or recommending brokerage firms for your transactions and in determining the reasonableness of the compensation or other remuneration paid to the brokerage firms:

Quality of Services Provided

Trade Implementation Costs

Value of Research and Related Information and Products Provided

Market Liquidity Provided

Confidentiality of Trading Intentions

Investment Styles (Compatibility Between Novus and the Brokerage Firm)

Financial Stability

Ability to Execute Difficult Trades

Other Factors Which May Be Identified By Novus From Time To Time

Novus has established an Execution Review Committee which periodically reviews its brokerage practices and the reasonableness of compensation or other remuneration paid to brokerage firms and monitors its efforts to seek best execution of client transactions.

Research and Other Soft Dollars Benefits: Where more than one brokerage firm satisfy Novus' criteria, preference may be given to brokerage firms which provide Novus with certain brokerage and research services and products as allowed by law under Section 28(e) of the Securities Exchange Act of 1934 which Novus may use to execute client transactions even though the commissions or similar costs for particular transactions may be higher than the commissions or costs incurred by using another brokerage firms which does not provide Novus with these brokerage and research services or products. Payments to brokerage firms for these services through commission revenue rather than direct cash payments are referred to as "soft dollars". Under these circumstances, Novus will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage and research services or products provided by the brokerage firm(s) which Novus considers to be a significant benefit to its clients. Novus may use these brokerage and research services and products to benefit all of its clients' accounts, not just those whose transactions paid for the services.

The brokerage and research services or products received by Novus under the arrangement described above include general investment research.

Novus' use of client brokerage commissions or similar costs for transactions to obtain brokerage or research services and products presents a conflict of interest to Novus because it does not have to internally produce the service or product or purchase it directly elsewhere. This also means that Novus will have a financial incentive to select or recommend brokerage firms which provide Novus such brokerage and research services or products rather than based on a consideration of the lowest commission cost to its clients. Novus uses its Execution Review Committee process to address these conflicts.

TD Ameritrade, Inc.: Novus participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors such as Novus services which include custody of securities, trade execution, clearance and settlement of transactions. Novus receives some benefits from TD Ameritrade through its participation in the Program.

As stated above, Novus participates in TD Ameritrade's institutional customer program and it may recommend TD Ameritrade to its clients for custody and brokerage services. There is no direct link between Novus' participation in the Program and the investment advice Novus gives to its clients, although Novus does receive economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk designated to serving us; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from our client accounts held at TD Ameritrade; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Novus by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Novus or by its related persons or entities. Some of the products and services made available by TD Ameritrade through the Program may benefit Novus but may not benefit its clients' accounts directly although may assist Novus in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Novus manage and further develop its business enterprise. The benefits received by Novus or its employees through participation in the Program does not depend on the amount of brokerage transactions directed to TD Ameritrade by Novus. As part of Novus' fiduciary duties to our clients, it endeavors at all times to put the interests of Novus' clients first. Clients should be aware, however, that the receipt of economic benefits by Novus or its related persons or entities in and of itself creates a potential conflict of interest and may indirectly influence Novus' choice of TD Ameritrade for custody and brokerage services.

Directed Brokerage: Novus does not permit its clients to direct brokerage transactions to a specific brokerage firm.

Blocked Transactions: Novus may group or block orders from time to time for the same security for more than one client account in order to more effectively execute the orders. This is what is known as a "block transaction". This process can create trading efficiencies, prompt attention to the order and improve price execution since the block transaction may be executed at various prices but averaged as to price. Where such block transactions are

not fully executed, Novus will seek to allocate the executed portion of the block transaction on a basis which it considers fair to our clients over time. This will mean a pro rata allocation.

Trade Errors: Novus is responsible for reimbursing clients for all losses due to trade errors made by Novus in client accounts. Novus is not entitled to retain “net gains” from trade corrections. “Net gains” are defined as positive error account balances resulting from trade corrections. TD Ameritrade will automatically sweep any advisor error account credit balances to a designated TD Ameritrade error account each business day. TD Ameritrade will then donate the balances swept to the TD Ameritrade error account to charity.

## **REVIEW OF ACCOUNTS**

Novus’ client accounts are reviewed on a continuous basis by the individual portfolio managers with primary responsibility for the particular account. Factors which may trigger more frequent reviews include change in client investment objectives or circumstances such as retirement or a large contribution or withdrawal to or from an account, significant developments or events specific to a particular security held in the account, or significant market, economic or political developments.

Novus will provide clients with written reports concerning his or her account(s) upon request.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Novus does not compensate, nor does it receive compensation for client referrals.

## **CUSTODY**

Clients will receive account statements directly from his or her custodian on at least a quarterly basis although clients may receive them more frequently on a monthly basis. Novus encourages clients to carefully review his or her statement for accuracy. Clients should also remember that the statements he or she receives from his or her custodian are his or her official record of his or her accounts and assets for tax purposes.

Under government regulations, Novus is deemed to have custody of those client assets held in accounts for which the client has authorized the custodian to directly debit Novus’s management fees from the client’s custodial account although the assets in those accounts are maintained separately with a qualified custodian.

## **INVESTMENT DISCRETION**

Novus will accept discretionary investment authority over client assets if the client agree to such an arrangement. This is typically accomplished through execution of a limited trading authority contained in the client agreement with Novus. When executing a client agreement with Novus, clients can further limit the extent of discretionary investment authority to be granted to Novus although this may impact the level of services Novus can provide to

clients. Novus may also place restrictions on its authority such as instructions not to make investments in certain industries or to not sell certain investments the client may have due to possible adverse tax consequences.

#### **VOTING CLIENT SECURITIES**

Novus will not vote proxies or render any advice on proxies solicited by or with respect to certain investments in their client's account except as otherwise required. Novus will not forward to clients any proxy or litigation materials it receives, electronically or otherwise. Clients should contact his or her custodian directly and instruct it to make arrangements for the proxy or litigation materials to be forwarded directly to the client or client's representative.

Novus will not take any action or render any advice on investments in client accounts which become subject to class actions or related litigation or other matters such as mergers, acquisitions, tender offers, bankruptcy proceedings or other events. Novus may provide clients limited assistance upon request on an informal basis.

#### **FINANCIAL INFORMATION**

This section does not apply to Novus as it has never filed for bankruptcy nor is it subject to any financial conditions which could impair its ability to meet Novus' obligations to its clients.