

PX Global Advisors, LLC

Part 2A, Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of PX Global Advisors, LLC (“PX Advisors”). If you have any questions about the contents of this brochure, please contact us at info@pxadvisors.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 PX Global Advisors, LLC also is available on the SEC website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This brochure is PX Advisors' initial Form ADV Part 2A. Therefore, there have been no material changes since its adoption in March 2012.

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Item 4: Advisory Business

PX Global Advisors, LLC (“PX Advisors”) is a newly-formed investment adviser founded in March 2012. It is solely owned by Pengfei Xie, but may have other equity owners in the future.

In its capacity as an Investment Adviser, PX Advisors customizes, implements and monitors investment policy and strategies with a fiduciary mindset. Specifically, PX Advisors provides the following services to its clients.

Investment Policy and Research

- Assist clients in developing their specific investment objectives.
- Analyze risk factors.
- Formulate return/risk expectations based on clients’ risk tolerance.
- Research investment strategies and alternative asset allocations.
- Review investment allocations to meet clients’ objectives.

Investment Strategy and Management

- Select, hire and monitor external investment managers including hedge funds, long-only funds and ETFs.
- Recommend portfolio weightings, investment vehicles and strategies to meet clients’ requirements.
- Advise on investment guidelines, if applicable.
- Recommend termination of external managers and replacements, if any.

Monitoring, Client Communications and Reporting

- Monitor portfolio and counterparty risk.
- Review operational assessment of investment managers.
- Conduct regular and frequent client meetings.
- Produce detailed performance and risk reporting.

Transparency

- Complete transparency to clients on all aspects of the investment process.
- Open access to monitoring reports prepared for each investment.
- Clear explanation of portfolio construction decisions.

We will be in regular contact with clients to review overall performance in relation to targets and specific market events. As clients’ needs evolve over time, their investment objectives may change too. We will adjust the existing investments accordingly in order to continue to meet clients’ investment expectations.

PX Advisors does not exercise discretion over, actively trade or custody its clients’ assets. We do not participate in any wrap fee programs.

Item 5: Fees and Compensation

PX Advisors will receive fees for providing advisory services to its clients as set forth in the respective advisory or sub-advisory agreements. The fees typically consist of both asset-based management fee and performance-based incentive fee.

Example: Advisory Fee Schedule

<u>Client Assets (\$)</u>	<u>Management Fee</u>	<u>Incentive Fee</u>
X million	A% of assets	B% of performance over a hurdle

The percentages will be negotiated on a case-by-case basis based upon a number of factors including but not limited to the amount and type of work involved, the size of the portfolios and the amount of resources dedicated to providing the services. Therefore, the percentages could vary between different clients.

The advisory fees are typically billed to clients on a quarterly basis in arrears based on the average size of assets and actual performance during the quarter. Any contributions and/or withdrawals will be adjusted in calculating the fees. We are not authorized to deduct fees from clients' assets.

PX Advisors may be terminated by either party upon written or oral notification. Upon termination, the fees charged for advisory services will be pro-rated and a refund for any unearned fees will be issued. The client is responsible to pay for services rendered until the termination of the agreement.

There will be no additional fees and expenses.

We do not accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds or other funds.

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

PX Advisors expects to enter into performance-based fee arrangements with qualified clients in compliance with Section 205(a)(1) of the Investment Advisors Act of 1940 and the exemptions available thereunder (including Rule 205-3).

We typically charge both performance-based fee and asset-based fee. To the extent that the percentages differ between different clients and a potential conflict may arise, we will strictly adhere to a fair allocation policy in recommending investments to clients, who will have the ultimate authority in adopting or rejecting the recommendations.

PX Advisors does not engage in "side-by-side" investments alongside its clients.

Item 7: Types of Clients

PX Advisors' clients are expected to be other registered investment advisers and charitable organizations including endowments and foundations in the U.S. and foreign jurisdictions.

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

Investment Strategy and Method of Analysis

PX Advisors focuses on the construction and management of tailor-made hedge fund and long-only portfolios (or fund of funds solutions) and as such, our focus is not products or single strategy hedge or long-only funds. The fund of funds solutions aim to diversify clients' overall asset exposures and in the meantime, generate absolute returns and protect potential downside losses.

- Recommended investments' expected behavior in various market scenarios should diversify the expected behavior of a client's other investments in those same scenarios;
- The investments are expected to add value over various time horizons during which adverse market moves may occur or market opportunities may present themselves.

Specifically, our strategies and investments are expected to achieve the following across various time horizons:

Short-term: absorbing market shocks

The fund of funds solutions should have a structural component – a so-called “shock absorber” – that can mitigate the effect of short-term market turbulence. Strategies and managers in this segment of the portfolio are expected to exhibit strongest performance in periods of highly volatile and uncertain markets, which typically accompany inflection points or other times of pronounced trouble.

Medium-term: producing diversification benefits

A significant part of the recommended portfolio will be invested in flexible managers that are often more directionally biased. Flexible managers may or may not be on the right side of the trade initially when the worst case scenario unfolds in a client's broader asset mix. Therefore, protection from this sub-portfolio is unreliable in the near-term. Nevertheless, the flexible nature of these managers means that they would respond quickly to a changing environment and adjust their positioning to capitalize on it. Reliable protection is thus medium term in nature.

Long-term: capturing evolving opportunities

A final component of the portfolio should specifically seek to capture exceptional longer-term opportunities created by turbulence in financial markets and the wider economy. Managers in this segment of the portfolio have the staying power to hold on to their positions over a long time horizon before value is eventually realized. They are expected to provide out-sized returns by playing an important role in capturing distressed opportunities.

It is our intention that the investments' role will evolve over time, as successive economic cycles unfold. A key part of our approach in providing advisory services is a continual reassessment of the structure of each investment in relation to the changing opportunities and risks, and the changing

dynamics of the client's specific and individual needs. This is achieved through a series of formal top down scenario-based evaluations of the portfolio and carried out, as required, in close discussions with the client.

Selecting and investing in hedge funds and long-only funds requires specific skill sets, tools and processes:

- A thorough manager selection process that investigates in detail the quantitative, qualitative and operational merits of each hedge fund and long-only manager.
- Portfolio construction and portfolio management based on quantitative tools that model correctly the sensitivities and inter-dependencies of the hedge funds and long-only included in a recommended portfolio.
- Statistical models that are specifically developed for hedge fund analysis and can produce relevant and robust information from historical hedge fund track records.
- Analytical methods that are capable of assessing and controlling low-probability but high-impact events (i.e. extreme risks).
- Methodology for assessing potential mismatches between the assets and liabilities of a hedge fund, using information about the fund's balance sheet.
- Operational due diligence (ODD) that assesses the operating strength, cash movement, compliance procedures and mark-to-market practice of a hedge fund or long-only fund.

Manager Selection Criteria

Our manager selection criteria may vary across strategies and managers, but in general the following criteria must be met to its satisfaction:

- Willingness to provide transparency
- Adequate past experience
- Infrastructure in line with strategy and business needs
- Asset level exceeding critical mass but below capacity
- Strong processes and controls
- Definable edge
- Clear & defined risk management process
- Personal integrity
- Clear commitment & ethics
- Professional service providers.

Manager Termination Triggers

Key triggers for terminating a manager could be different in different strategies and scenarios, but generally include:

- Lack of transparency, visibility, or clarity in the portfolio
- Style drift beyond area of expertise
- Long period of lackluster performance (particularly in favorable markets)
- Clear breach of own risk management parameters

- Operational and business issues such as declining asset base, key personnel leaving
- Growth in assets under management beyond the strategy's capacity, or beyond the fund's administrative organization.

Drawdown Analysis

Drawdown tolerance is essential in setting a mandate's risk limits, and is of greater importance than targeted volatility expressed in traditional volatility measures. Drawdown tolerance, for example, determines the acceptable liquidity profile of the portfolio: if drawdown tolerance is high, the portfolio can invest in more illiquid funds that require longer investment horizons to capture illiquidity premiums. However, these funds can experience large mark-to-market losses in the interim. If drawdown tolerance is low, the portfolio must be more liquid so losses can be rapidly cut.

Investment Risks

PX Advisors systematically seeks to identify the various types of risks to which its clients are exposed through investment in a manager. These risks include:

- Strategy Risk
- Market Risk
- Credit Risk
- Liquidity Risk
- Operational risk

Strategy risk

We focus on deriving a thorough understanding of each managers' strategy, and explicitly identify the types of risks, such as interest rate risk, spread risk, price risk, leverage risk, liquidity risk, counter party risk, foreign exchange risk, etc. to which the strategy is exposed, as well as the approach the manager has taken to control each of these risks.

Through regular structured conversations with the manager, and periodic on-site visits, we maintain at all times a good understanding of the way each manager's strategy is effectively implemented. We are prompt to request additional information, or make a field-visit to the manager, whenever implementation appears to deviate from our expectations.

Market risk

We look at market risk as both beta and net dollar exposures. However, there are other market risks that carefully need to be considered; such as sector rotation and flight-to-quality, which may impact a portfolio, despite that it might been considered beta-neutral or net dollar exposure neutral.

Credit risk

We measure credit risk by strategy types, looking at the underlying risk within each strategy. We have to be assured and feel comfortable that the fund's assets under management do not cannibalize the fund's risk/return profile by going down the credit quality spectrum in an uncalculated fashion. To give an example: in convertible arbitrage strategies, the hedge ratio/delta gives an impression of the credit risk, as well as the quality of the underlying credit qualities. In addition, these assessments have to be adjusted for default or asset swaps used to protect against credit risk.

Liquidity risk

Again, we differentiate by strategies in measuring liquidity risk. Two issues are considered: the absolute liquidity risk and the peer group liquidity risk. In order to assess absolute liquidity risk, we will ask the manager for simulations on liquidity issues of the instruments in his various strategies and thereafter check them with our comfort level. Frequently, ex-post, we would ask about a specific market condition that has occurred and check whether or not the simulations were accurate. If not, why? For every strategy, there are certain “rules of thumb” that can be applied. Nevertheless, they have to be repeatedly questioned. In order to assess peer group liquidity risk, we will carefully examine the event risk that might impact the fund at the competitor’s/peer’s level. To provide a concrete example: if many hedge funds are shorting a particular stock, the question is not whether a relative and/or a total position in a particular fund that would matter. Rather, the aggregate position size across the whole peer group is what counts. An understanding of “crowded trades” is of particular importance in risk arbitrage and credit strategies where liquidity can quickly disappear.

Operational risk

Operational risks typically include the following:

- Authorized personnel to make commitments on behalf of the fund;
- Pricing procedures and check-and-balance;
- Communications with the custodians /prime broker;
- Reconciliation of front office positions and P/L statements with back office positions and P/L statements;
- Organizational stability -- number of key people that have recently left the firm;
- Disaster recovery procedures;
- Segregation of front and back office functions regarding the settlement and custody process?

Operational risks are reviewed based on the managers’ organization structure and procedures, with special emphasis on adequate separation of duties in areas such as risk review and control and independent pricing of positions.

Risk of Loss

There is no assurance that PX Advisors’ investment advice will generate positive returns or that the returns will be commensurate with the risks inherent with the investment strategy. The marketability and value of any such investment advice will depend on many other factors beyond the control of PX Advisors.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

PX Advisors has no other financial industry activities and affiliations at the time of this filing.

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

PX Advisors believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act for their benefit.

We have adopted a Code of Ethics. Among other requirements, personnel must put the interests of its clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel must also comply with all federal securities laws.

PX Advisors adopted a policy that all personnel are prohibited from trading individual securities. However, they are permitted to select mutual funds for their retirement accounts and make transactions, which must be reported to the CCO, and must report to the CCO when they believe that a violation to the Code of Ethics has occurred.

The CCO will regularly review all personal trading documents and to address any issues noted during the review, including the appropriateness of imposing a penalty for violations.

Gifts and Entertainment

PX Advisors has considered the risk that employees might be improperly influenced by excessive gifts or entertainment. We also considered the risk that employees might try to use gifts or entertainment to exert improper influence on another individual or entity. We have established a policy to mitigate such risks by establishing limits and reporting obligations relating to the giving and receipt of Gifts and Entertainment.

Political and Charitable Contributions

Political contributions by PX Advisors or its supervised persons to politically connected individuals or entities with the intention of influencing such individuals or entities for business purposes are strictly prohibited.

We strictly prohibit supervised persons from making political contributions to any state or local government entity, official, political party, or political action committee. However, contributions to

federal elections may be permitted subject to legal reviews and compliance clearance by CCO and outside counsel.

We do not participate in client transactions and to our best knowledge, there are no securities that PX Advisors or a related person has a material financial interest in. There are no conflicts of interest created by contemporaneous trading since we do not trade individual securities.

Item 12: Brokerage Practices

PX Advisors does not exercise discretion over, actively trade or custody its clients' assets. Therefore, we do not receive any soft dollar from broker-dealers. We do not engage in any brokerage for client referrals or direct brokerage to any specific broker-dealers.

Item 13: Review of Accounts

As stated in Item 4 "Advisory Business" and Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss," all aspects of PX Advisors' advisory service will be completely transparent to its clients. As such, the investment process requires constant interaction and discussion with clients about existing and prospective investments before any decision can be made. Therefore, review of accounts is a constant and on-going process.

Additionally, we produce monthly position reports, monthly investment rationale and monthly risk reports, all of which are available to clients approximately 10-15 days after the previous month end.

We will also present to clients' boards and make formal quarterly reviews if clients so request.

Item 14: Client Referrals and Other Compensation

PX Advisors does not have any client referral arrangements or receive any compensation other than what has been disclosed.

Item 15: Custody

PX Advisors does not have custody to any client funds or securities. We do not have debit authority on payment of advisory fees.

Item 16: Investment Discretion

PX Advisors provides advisory services on a non-discretionary basis and therefore, does not have investment discretion on behalf of its clients.

Item 17: Voting Client Securities

PX Advisors will not have the possession of any securities and therefore, it would be unlikely that it needs to advise its clients regarding a proxy vote. However, in a scenario where we might need to provide advice on a proxy vote, PX Advisors will consult with its clients and disclose material conflict of interest, if any, in connection with each proxy vote. The final vote on such a proxy will be based on the instruction from the clients.

Item 18: Financial Information

PX Advisors is not aware of any financial condition that is likely to impair its ability to meet contractual commitments to clients. We have never filed for bankruptcy.