



Form ADV Part 2A



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This Form ADV Part 2A ("Brochure") provides information about the qualifications and business practices of Pacific Harbor Holdings, Limited ("Pacific Harbor"). If you have any questions about the contents of this Brochure, please contact us at 852 2167 0500. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC"), the Hong Kong Securities and Futures Commission (the "SFC") or by any other securities authority or regulator, and registration with any regulator does not imply a certain level of skill or training. This Brochure provides information for our U.S. clients. Most provisions of the Investment Advisers Act of 1940 (the "Advisers Act") and of this Brochure do not apply to our non-U.S. clients.

Throughout this Brochure, "we", "us" or "our" refers to Pacific Harbor and "client", "you" or "your" refers to the client or prospective client.

This Brochure is not an offer to sell or a solicitation to invest in any security described herein.

Additional information about Pacific Harbor is available on the SEC's website at: www.adviserinfo.sec.gov.



ITEM 2 – MATERIAL CHANGES

This item is not applicable to us as we are newly registered.



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ITEM 4 – ADVISORY BUSINESS

Who We Are

Pacific Harbor is a Hong Kong-based asset management firm that specializes in non-traditional investment strategies in the Asian corporate debt market. Pacific Harbor was founded in 2006 by our Chief Executive Officer, Warren D. Alderige (“CEO”) and members of our Investment Team (defined below) and is incorporated in the Cayman Islands as an exempted company. We primarily focus on opportunities in our core markets of Japan, Hong Kong, Singapore, Thailand, Indonesia, the Philippines and the People’s Republic of China.

Investment advice is provided under the terms of Participating Affiliate Agreements (the “PAAs”) by our affiliates Pacific Harbor Advisers (Japan), G.K., Pacific Harbor Advisers Pte. Ltd., Pacific Harbor Advisers Co., Ltd. and Pacific Harbor Investments Holdings Philippines, Inc.; together with Pacific Harbor Capital, Ltd. and Pacific Harbor Capital II Ltd., entities which may also provide advisory services to U.S. clients, these affiliated companies are the “Participating Affiliates”. The PAAs are structured according to the provisions of No-Action letters issued by SEC staff. This arrangement is discussed further in Item 10.

Our Investment Team is led by the CEO and consists of managers and analysts employed by us and by the Participating Affiliates. Our Investment Team provides what we think represents a key advantage of our investment approach: “on-the-ground” investment intelligence, generally delivered by nationals of the countries that make up our core markets. We believe the relationships and access our Investment Team maintain allows us to obtain in-depth information from (1) financial market participants, (2) companies, (3) creditors, and (4) governments that may not generally be available to other investors (especially for investment firms that do not maintain an in-country presence).

We are regulated in Hong Kong by the Securities and Futures Commission and are authorized to conduct Type 9 (Asset Management) activities in Hong Kong.

Ownership

We are wholly owned by Warren D. Alderige.

Types of Advisory Services

We offer professional advisory services on a discretionary basis, providing asset management according to the stated investment objectives and policies of each client.

Our clients negotiate and enter into an investment management agreement (“IMA”) with one of our affiliates, which then delegates its investment management responsibilities under the IMA to us. The IMA will govern the relationship between the client and us as well as define the roles and responsibilities of both parties. The negotiation with our clients of the terms of the IMAs allow us to tailor our advisory services to their needs.

As of August 31, 2012, Pacific Harbor manages U.S.\$220,000,000.00 of client assets, all on a discretionary basis.



We provide our advisory services to separately-managed accounts (typically available to institutional investors and family offices but also available to select high-net worth individuals) and to a pooled investment vehicle.

Private Fund

Through a delegation agreement with a Participating Affiliate, Pacific Harbor Capital, Ltd., we are the investment adviser to Pacific Harbor Asia Fund I, Ltd. (the “Offshore Feeder”), a Cayman Islands exempted company and Pacific Harbor (Delaware) Fund I, LP, a Delaware limited partnership (the “Onshore Feeder” and together with the Offshore Fund, the “Private Fund”). The Private Fund is structured in a master-feeder arrangement with Pacific Harbor Asia Master Fund I, Ltd.

The Private Fund is currently not undertaking any new investment activities as it is unwinding its investment positions. It will not accept any new investors.

Pacific Harbor intends to organize and manage additional pooled investment vehicles in the future.

Managed Account

We are the investment manager to a separately managed account (the “Managed Account”). Advisory services are provided by a Participating Affiliate.

ITEM 5 – FEES AND COMPENSATION

Our fees for providing advisory services to separately managed account clients are negotiable and can vary depending on factors that include the investment objective and type of the account. The negotiation of fees may result in similarly situated clients paying different fees for comparable advisory services. To the extent different fee arrangements exist, they are always linked to increased investment risk taken by the particular client involved.

The management fees we charge clients for our advisory services are generally based on the annual percentage of the value or size of the assets under management, as determined by us in good faith or by a client’s custodian or administrator. The specific manner in which fees are charged by us is established in a client’s IMA. Under our standard IMA, we will generally bill our fees on a monthly basis, in arrears.

Clients typically authorize us to debit fees from their accounts following the presentation of the invoice detailing our fees to the client’s administrator for the administrator’s approval. Management fees are prorated for each capital contribution and withdrawal made during the applicable calendar month (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any account, any earned, unpaid fees are due and payable. Clients do not pay any fees in advance.

Our fees are exclusive of brokerage commissions, spreads, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties which can include fees charged by administrators, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Private Fund bears the cost of its annual audit, with such expense being passed on to the investor. Please see Item 12 below for a more detailed discussion regarding our brokerage practices.

The fees we charge the Private Fund are detailed in the offering documents of the Onshore Feeder.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We have in place performance or incentive fee arrangements with our clients. We structure any performance or incentive fee arrangement relating to U.S. clients according to the requirements of the Advisers Act. In measuring clients' assets for the calculation of performance-based fees, we will include realized and unrealized capital gains and losses.

While we believe that performance-based fee arrangements align our interests with the interests of our clients who are subject to those fees, we also recognize that performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. We have adopted policies and procedures that seek to mitigate any such conflicts presented by our performance-based fee arrangement and to ensure that all clients are treated fairly and equally.

ITEM 7 – TYPES OF CLIENTS

Our clients currently include the Private Fund and the Managed Account, a charitable endowment. Our services are available to qualified high-net worth individuals, family offices and to institutions.

We generally require separately managed account clients to have a minimum account size of U.S. \$25,000,000 to receive discretionary investment advisory services. However, we may consider waiving the account minimums in our sole discretion after considering factors including the number of accounts managed for a client, the nature of services rendered, any special requirements of the account(s) managed and the totality of the relationship between us and the client.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We make investment decisions on behalf of our clients from both a “top-down” and a “bottom-up” approach to market analysis.

Using a “top-down” approach, we seek to identify countries, jurisdictions, industries, companies, and asset categories where there is an opportunity for a nimble and thoughtful market participant. Political change, government policy, industry dynamics, market conditions, company-specific events and/or conditions, as well as company-driven relationships, are all factors that will allow us to identify opportunities for investment in the asset categories which we pursue.

The analysis of these and other “top-down” parameters occur on both an ad-hoc and an organized basis. Ad-hoc idea generation arise from our formal and informal network of business, finance, government and commercial relationships across Asia. Organized idea generation takes place through periodic investment meetings/call-ins where the Investment Team shares their ideas and collected market information. In

addition, the Investment Team is organized by jurisdiction and has basic target calling lists that are reviewed verbally on a regular basis. We believe that through these interchanges ideas and opportunities arise through the collective processing of such information. Additionally, the Investment Team has access to major data services that can assist them in understanding general market and economic information and facilitate the identification of investment opportunities.

Our investment analysts are experienced in producing cash flow modeling as well as scenario analysis as part of our “bottom up” approach. Additionally, our “country national” approach to sourcing allows us to access information (both written and oral) that is difficult for others to obtain. Finally, the depth of experience of the Investment Team in collecting and evaluating due diligence information facilitates the identification of the fundamental reasons, beyond stated reports, for company performance (or lack of performance) that will better permit us to assess the probability of company recovery through financial restructuring. Our local knowledge and insights should allow us to identify on a first-hand basis the probabilities of companies being able to implement management restructurings.

Additionally, our “bottom-up” approach extends to financial information that we believe will enable us to create better analysis, models and projections than existing creditor data typically permits. We believe that this method of investment analysis will give us an advantage in finding value in an asset (or in identifying mistakes in conventional market analysis).

In stressed and distressed debt situations, our in-country networks and the positive profile of the Investment Team’s country nationals within the given jurisdiction’s financial and general business community often allow access to management interviews and insights that are veiled or otherwise unavailable to foreign investment managers or managers with less positive profiles or less in-country presence.

We believe that our capacity to combine top-down and bottom-up approaches often results in accurate, and sometimes unique, insights into target company financial situations and company prospects. Ideally, these insights, when applied to market opportunities, create “first-mover” investment advantages that locate upside value ahead of the general debt markets, and facilitates liquidity and profitable exits from investments. Our access to these insights (both with respect to in-country valuation and in making pan-regional value comparisons), generally helps us to minimize the downside of any particular investment.

Investment Strategies

In managing our client portfolios, we primarily seek to identify candidate companies which require lending to fund business prospects. We pursue four core strategies in structuring such transactions.

First, we may invest in short-term private debt placements in candidate firms which borrow in advance of bank lending where we perceive low price volatility. Second, we may take long credit positions where we see a credit that will either recover or be restructured intelligently. Third, we may take long credit positions by investing in high yield bonds or private placements with low price volatility and which exhibit good risk characteristics. Finally, we may seek co-investments in larger transactions of similar strategies in the Asia region.

Where permitted by an IMA, we may use leverage in limited circumstances when we believe this may enhance returns or to meet certain expenses.

Our investment process generally begins with idea generation and Investment sourcing. This involves industry research. Following research, our process largely depends on Pacific Harbor's office network and the Participating Affiliates' professional network. We are regularly in contact with the sources of these investments throughout Asia and have substantial recent experience in closing transactions involving our target assets. The potential investments that pass this level of scrutiny are reviewed with the CEO. The overwhelming majority of possible investments that we review do not progress beyond these stages. Investments which are viewed as promising after this step are considered by our Investment Committee (the "IC"). The IC is chaired by our CEO or a senior in-country sourcing and origination professional and consists of the senior investment personnel at Pacific Harbor and our Participating Affiliates. We will not proceed with an investment unless the IC votes unanimously to approve it.

Investment Instruments

We make investments primarily in (1) debt private placements by high yield issuers, (2) bank loans and bonds from stressed issuers, (3) distressed bank loans and bonds, and (4) high yield bonds and loans generally. In unusual circumstances we may receive private or public equity instruments. We may have recourse against a wide variety of assets where collateral is enforced against non-performing loans. These assets may include debt and equity as well as real estate and other physical property.

Principal Risks

RISKS OF INVESTING IN EMERGING MARKETS

A significant proportion of the investments we make on behalf of client accounts are made in "emerging" markets. Investing in the securities or obligations of emerging market issuers has certain unique risks that can make it riskier than investing in U.S. securities or obligations. These risks include exposure to potentially adverse political, social and economic events in Asian markets; limited availability of public information about a company; less developed trading markets and legal and regulatory practices; and a lack of uniform financial reporting, accounting, audit, legal and regulatory practices similar to those that are available in developed markets. Securities of and other investments in foreign issuers may be less liquid, more volatile and harder to value than U.S. securities.

FIXED INCOME RISKS

There are risks of investing in bonds and other fixed income instruments. Bond prices may go up or down in response to interest rates with increases in interest rates leading to falling bond prices. The bonds and other fixed income instruments in which we invest on behalf of clients are subject to credit risks, such as risk of default by issuers. As our investing is generally focused on issuers which may have a lower credit quality—including issuers that are in financial difficulty and may be in or emerging from bankruptcy proceedings—the risk of default and other counterparty risk is correspondingly higher than would be the case with the securities and obligations of issuers with higher credit quality.

LEGAL AND REGULATORY RISKS

Investments in emerging markets may be particularly prone to regulatory risks; for example, the introduction of new laws, the imposition of exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holding of the portfolio in a particular company, sector or country by non-residents (individually or collectively) has been imposed. Regulatory changes may be imposed on one or more of the markets in which we invest in the future and any such regulations could significantly restrict our ability to access markets and/or may negatively impact the value of portfolio

holdings. The legal environment may also compromise the value of collateral we obtain to secure portfolio holdings.

NON-DIVERSIFIED PORTFOLIO RISK

All our strategies may be subject to the risks inherent to concentrated or non-diversified positions. Trading markets in Asia in general and the corporate debt markets in particular are substantially smaller (on the basis of market capitalization, value of securities traded and number of issuers) than those of the U.S. and other nations with developed securities markets. As a consequence, we may invest in a relatively limited number of issuers, some or many of which may operate in the same industry or economic sector. Trading markets in Asia may be subject to greater price volatility and less liquidity than is usually the case in the U.S. and other developed securities markets globally. Concentration and non-diversification pose increased risk of loss to the extent the account is more susceptible to adverse events affecting the region, country, industry or issuer in which the account is focused.

ILLIQUID INVESTMENTS

The investments we make on behalf of clients are often in illiquid instruments, which means that there may be legal or contractual restrictions on their disposition, or that there are no readily available market quotations for such securities. Illiquid instruments present the risks that there may be difficulty valuing these holdings and that we may be unable to sell these holdings at the time or price desired.

Risk of Loss

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

We use the investment strategies and methods of analysis discussed above to seek to achieve each portfolio's investment objective. The investment decisions we make may not produce the expected returns, may cause the portfolio to lose value or may cause the portfolio to underperform other portfolios with similar investment objectives. There is no assurance that a portfolio's objective will be achieved.

ITEM 9 – DISCIPLINARY INFORMATION

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

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As discussed above, we are related to various advisory entities which are "related persons" and affiliates of Pacific Harbor. These entities are under our "control" as that term is defined in Form ADV.

The Participating Affiliates assist Pacific Harbor in the provision of investment services under the terms of the PAA. Employees of the Participating Affiliates who are involved in United States advisory activities are deemed to be "associated persons" of Pacific Harbor.

Under the PAA, the Participating Affiliates are subject to compliance with certain controls, including record retention, ensuring personal account trading clearance for associated persons and the provision of records to the SEC when and as required by the participating affiliate SEC No-Action letters and the PAA.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT

TRANSACTIONS AND PERSONAL TRADING

Our Code of Ethics (the “Code”) applies to all of our officers, executive directors and employees (“Staff”) and requires that Staff conduct themselves honestly and ethically and in full compliance with the securities laws at all times. Staff must put the interests of our clients before their own interests. A copy of the Code is available to clients and prospective clients upon request.

Under unusual circumstances, a member of our Staff may purchase or sell for his or her own account securities which we purchase or sell on behalf of our clients. Moreover, a component of certain Staff members’ deferred compensation is invested in the Private Fund.

All such transactions must be conducted in accordance with our Code. The Code is designed to ensure that our Staff do not take actions which are adverse or appear to be adverse to the interests of our clients. To manage the potential conflicts of interest with respect to personal securities trading by our personnel, the Code contains the following provisions, among others:

- i. A requirement that proposed personal securities transactions in initial public offerings and private placements (including accounts in which Staff have a personal interest) be cleared by our Chief Compliance Officer or his delegate to address the conflict of interest.
- ii. Periodic reporting of all activity in personal securities accounts. This includes reporting of all securities positions.
- iii. The associated persons of the Participating Affiliates are subject to the personal trading conditions of the Code.

Our Code also limits the type and amount of gifts and entertainment that our personnel are permitted to give or accept.

ITEM 12 – BROKERAGE PRACTICES

It should be recognized that a relatively insignificant component of our investment program consists of trading securities through a broker-dealer or other institutional counterparty for which a commission or “spread” is charged to our clients. Nonetheless, we maintain standards for the selection of counterparties and for the evaluation of the execution quality we receive.

We select brokers and counterparties based on a set of qualitative and quantitative criteria. Execution of client transactions is in accordance with our best execution policy. Our objective is to obtain the most favorable execution and price reasonably available over time for our clients.

Selection of Brokers/Counterparties and Best Execution

The factors that we consider in selecting the brokers with which we place our client orders for execution include, but are not limited to: the broker’s reliability, reputation in the industry, financial stability, infrastructure, research and execution services and ability to accommodate special transaction needs. Accordingly, transactions may not always be executed at the best available price or commission.



We monitor the current level of the commissions of eligible broker-dealers and strive to minimize the expenses incurred for effecting client transactions to the extent consistent with the interests and policies of the accounts. Although we seek competitive commission rates, we will not necessarily pay the lowest commission. The execution of certain transactions or strategies for clients may require specialized services from the broker-dealer involved and thus may entail higher commissions than would be the case with other transactions requiring more routine services.

We do not employ soft dollars/soft commissions.

Trade Allocations, Aggregated Trades and Trade Errors

When considering which client accounts will participate in a given transaction, we employ procedures designed to ensure that clients will be treated in a fair and equitable manner and to achieve best execution. No account will be favored over any other client; however, a variety of factors can determine whether a particular client may participate in a particular transaction. These factors include investment objectives and strategies, position weightings, cash availability, and risk tolerance, among others. Because of such differences, there may be differences in invested positions and securities held in client accounts managed according to similar strategies.

When trading securities, we may execute transactions on an aggregated basis—that is, we “bunch” orders from several accounts—when we believe this will allow us to obtain best execution and to obtain more favorable commission rates or other transaction costs. In these cases, we will use procedures and make similar considerations to those discussed in the preceding paragraph. Aggregated orders filled partially will be allocated within strategy among the participating accounts pro-rata by original order size.

We make and implement investment decisions for our client accounts consistent with our fiduciary duty. To the extent trading errors occur, we seek to ensure that clients’ best interests are served. Our policy is to resolve all trade errors within a reasonable time period and in manner that does not disadvantage the client. We reimburse client accounts for their actual losses suffered as a result of a trade error caused by us. We do not compensate clients for lost investment opportunities (e.g., failure to take advantage of investment or market improvements).

ITEM 13 – REVIEW OF ACCOUNTS

Account Reviews

We have implemented continuous monitoring and control procedures for client accounts that are complemented by daily reviews by our CEO via flash reports generated by the accounting department. These reviews are intended to determine, among other things, whether each account is appropriately positioned and in-line with the client-specific investment goals, objectives and policies. The manner and frequency of reviews may be established in the client’s IMA.

Written Reports

We provide reports to our clients regarding their accounts in accordance with instructions they provide us. On a monthly or quarterly basis, we may provide our clients with a written report that includes information such as current portfolio holdings, transaction activity, and portfolio manager commentary

on sources of return within the portfolio and recent market conditions. More information about client account reports is in Item 15.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Although such an arrangement is not currently in place, we have in the past entered into written solicitation arrangements with non-affiliated third parties, pursuant to which we agree to compensate them for the solicitation of clients and client referrals. Solicitations and referrals of U.S. clients are made in accordance with the requirements of Rule 206(4)-3 under the Advisers Act.

We may consider instituting solicitation arrangements again in the future.

A conflict of interest may arise from compensating third parties to solicit and refer clients. Recommendations being made to clients may be influenced by the compensation to be paid to a solicitor. Clients and prospective clients should refer to the disclosure document that solicitors are required to provide under Rule 206(4)-3 prior to making any investment decision. These disclosures include the nature of the solicitation arrangement and the details of the compensation arrangement accorded to the solicitor.

ITEM 15 – CUSTODY

We do not have physical custody of the funds or securities in relation to U.S. client accounts. Rather, all funds and securities of our U.S. clients will be held at a qualified custodian. In the case of a managed account, the custodian is typically appointed by the client.

In the case of the Onshore Feeder, we may be construed to have “custody” since the General Partner of the Onshore Feeder is a related person of ours. The Onshore Feeder is subject to an annual audit and will be subject to a final audit upon the occasion of its wind-down.

U.S. clients will receive statements of account holdings from their custodians at least quarterly. U.S. clients should carefully review those statements. We may provide account balance and activity details to the client upon request. However, our account statement may vary from the statement that the U.S. client custodian provides, due to different accounting procedures or reporting dates. We urge U.S. clients to compare the information received from their custodian with that received from us and to bring any questions regarding these reports to our attention or to that of the custodian.

Management fees due to us may be paid by the client custodian from the custodial account that holds client funds. Written authorization allowing the payment of fees directly from the custodian will be provided by each U.S. client before carrying out the debit of fees. The client and custodian will each receive a statement from us detailing the amount of fees and the method of calculation.

ITEM 16 – INVESTMENT DISCRETION

We exercise investment discretion over client accounts, subject to investment policies and guidelines that are established between our clients and us (and which may be amended from time to time in writing). Within a client's specified investment objectives and guidelines, we are generally authorized to determine which securities are bought or sold, the total amount of securities to be bought or sold, the broker-dealer

(or counterparty) through which securities are to be bought or sold, and the commission rates to be paid, all without further client consultation or consent.

ITEM 17 – VOTING CLIENT SECURITIES

As we primarily invest in debt securities and other assets for which proxy voting is generally not a feature, we are seldom called upon to vote proxies.

Nevertheless, our proxy voting policies and procedures establish a framework to vote proxies consistent with our fiduciary duty to our clients should we be called upon to vote securities on behalf of clients.

When vested with proxy voting authority, it is our policy to vote all proxies on securities held in client's account, unless we determine in accordance with our policies to refrain from voting. In the event a client believes that its interests require a different vote, the client may direct how we vote shares held in its account by providing us with written voting instructions, provided that we receive such instructions in time to act accordingly.

When we determine that voting a proxy presents a conflict of interest, we will resolve such conflicts in the best interest of the client as determined by us in good faith.

We maintain proxy voting records and related records designed to meet our obligations under applicable law. Clients may obtain a complete copy of our proxy voting policies and other information regarding how their proxies were voted upon request by writing to us at the address set forth in the first page of this brochure.

ITEM 18 – FINANCIAL INFORMATION

We do not have any financial condition that is reasonably likely to impair our ability to meet our contractual commitment and fiduciary responsibilities to our clients.