

**Item 1 Cover Page**

**FORM ADV - PART 2A  
(THE “BROCHURE”)**

**OF**

**Pine Street Alternative Asset Management LLC**

**1350 Avenue of the Americas  
New York, NY**

**July 18, 2013**

**This Brochure provides information about the qualifications and business practices of Pine Street Alternative Asset Management LLC (“Pine Street”). If you have any questions about the contents of this Brochure, please contact Carrie Lee by telephone at 646-415-7203 or by Email at [clee@pinestreetalt.com](mailto:clee@pinestreetalt.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Pine Street is registered as an investment adviser with the SEC, however such registration does not imply that the SEC endorses the skill or training of Pine Street. Additional information about Pine Street is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

As Pine Street is a newly registered adviser, this Brochure represents Pine Street's initial filing of Form ADV Part 2A with the SEC. Therefore, Pine Street does not have any specific material changes to disclose pursuant to this Item.

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## **Item 4 Advisory Business**

### **A. General Description**

Pine Street is a limited liability company formed under the laws of the State of Delaware with its principal place of business located in New York, New York. It is anticipated that Pine Street will commence investment advisory activities as set forth herein within 120 calendar days of the date of this Brochure. Lofton Holder, Vinod Kurup, Carrie Lee, Caroline Lovelace and Brian Mathis are controlling members of Pine Street.

### **B. Description of Advisory Services**

Pine Street will provide investment advisory services on a non-discretionary basis to its clients, which may include pooled investment vehicles (“Funds”) and separately managed accounts (“Separate Accounts”), whose beneficial owners may be, for example, one or more pension plans, trusts or other institutional investors. Funds and Accounts which will be managed by Pine Street are collectively referred to herein as “Clients”. Pine Street will primarily focus on providing its Clients with access to third party investment managers, particularly, but not exclusively, woman and minority owned (“WMO Managers”). Pine Street will typically invest in such managers through a seeding arrangement, where it can work in partnership with the portfolio managers to assist in developing and growing businesses that can attract capital from institutional sources. Pine Street will primarily recommend WMO Managers who, in partnership with Pine Street, may maintain structures that meet best-in-class institutional investor requirements for transparency, trade-based risk management and asset control.

Notwithstanding the foregoing, Pine Street will not limit the type of investment advisory services it offers and there are no material limitations to the types of securities in which it may invest (subject to the terms of the investment management agreement, limited partnership agreement (or other organizational documents) or other offering document of any Client (collectively, the “Offering Documents”)). Pine Street may invest in any security and in any sector of the market to carry out the overall objectives of its Clients. Such objectives, strategies and policies may be expected to evolve materially over time. Pine Street has complete flexibility to create or organize (alone or in conjunction with others including affiliates) or otherwise utilize special purpose subsidiaries or other special purpose investment vehicles. In addition, Pine Street may retain sub-advisers to provide investment advice to Clients.

For a description of the investment strategies to be employed by Pine Street, please see Item 8A hereof – “Methods of Analysis and Investment Strategies.”

#### C. Availability of Tailored Services for Individual Clients

Pine Street will tailor its advisory services to the individual needs of its Clients. The Client's Offering Documents provide more detailed descriptions of each Client's investment objectives and may contain investment guidelines, policies or restrictions. Pine Street will not tailor its advisory services to the needs of individual investors in a Fund (a "Fund Investor") and does not anticipate accepting Fund Investor-imposed investment restrictions.

#### D. Wrap Fee Programs

Pine Street does not participate in wrap fee programs.

### **Item 5 -Fees and Compensation**

#### A. Advisory Fees and Compensation

This Brochure will only be delivered to "qualified purchasers" as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

Pine Street reserves the right to charge some Fund Investors more or less than other Fund Investors for the same management services, depending on various factors, including, for example, the timing of the investment, the number of related investment accounts, or the total size of the Fund Investor's investment with Pine Street. Fee arrangements with any Separate Account will be individually negotiated. In this regard, Pine Street may waive or modify fees for Separate Accounts owned by, or Fund Investors that are, members, employees or affiliates of Pine Street and relatives of such persons or for certain other investors.

#### B. Payment of Fees

With respect to Clients, fees charged may be deducted directly from the Client's account. Management Fees are generally paid quarterly and may be paid in advance. Pine Street may charge a performance- based fee. Terms regarding the payment of fees applicable to any Client will be negotiated on a case by case basis and set forth in such Client's Offering Documents.

#### C. Other Fees and Expenses

Other fees and expenses that will be payable by a Client will be set forth in detail in the Client's Offering Documents. Subject to limitations set forth in the Offering Documents, such expenses may include, but are not limited to all of the legal and accounting fees, printing costs, travel and other out-of-pocket expenses, and all costs and expenses, but excluding placement and solicitation fees and expenses, incurred in connection with the organization of the Client and the offering of interests in the Client, up to a maximum amount set forth in the Offering Documents. The Client shall also be responsible for all expenses relating to its own operations, including fees, costs and expenses directly related to the purchase and sale of investments, including all fees and expenses due any legal,

financial, accounting, consulting, or other advisors or any lenders, investment banks and other financing sources, whether or not the investments are ultimately consummated; fees and expenses of custodians, counsel, auditors and accountants; any insurance, indemnity or litigation expenses and other extraordinary expenses and indemnification obligations of the Client; risk management expenses; technology costs including hardware, software, news and quotation services related to the Client or prospective or actual investments; regulatory expenses; all costs of the Client's administration, including, fees and expenses of third party administrators, expenses and fees incurred in the preparation and delivery of its financial statements and reports or the preparation and delivery of other documents and filings related to the Client and its investments, and costs of holding any meetings of investors in the Client; any entity-level taxes, fees or other governmental charges levied against the Client; and the management fee. The Client will also bear its pro rata share of the expenses and fees of the underlying portfolio funds and managed accounts in which it is invested. Expenses (other than the management fee) generally will be shared by all of the investors in a Client pro rata in accordance with their interests; provided, however, that the Client may specially allocate expenses related to a particular class of interests to investor of such class. To the extent that expenses to be borne by the Client are paid by Pine Street or the general partner of a client, the Client shall reimburse Pine Street or the general partner, as applicable, for such expenses.

#### D. Prepayment of Fees

As noted in Item 5(B) above, the Account will pay its management fee quarterly and may be paid in advance. The management fee of the Account will be prorated for any partial quarters. Terms regarding the prepayment of fees applicable to any Client will be negotiated on a case by case basis and set forth in such Client's Offering Documents.

#### E. Additional Compensation and Conflicts of Interest

No supervised person of Pine Street will accept compensation for the sale of securities or other investment products.

### **Item 6- Performance-Based Fees and Side-By-Side Management**

Pine Street may charge performance-based fees. Pine Street will negotiate with each Client to determine whether or not performance-based fees will be charged. The amount of any such performance-based fees will vary based on circumstances including but not limited to the size of the account, its use of leverage, hurdle rates, expenses incurred, reporting requirements, and termination provisions all of which are individually negotiated.

It should be noted that, to the extent Pine Street does charge performance-based fees, Pine Street's right to receive such performance-based fees may create an incentive for Pine Street to cause a Client to make investments that are riskier or more speculative than would be the case if Pine Street did not receive such compensation.

Conflicts of interest would be present to the extent that Pine Street charges performance-based fees to certain Clients but not to others. In such an instance, Pine Street would receive compensation based on the returns of the performance-based fee paying Clients and therefore would have an incentive to favor such Clients over the non-performance-based fee paying Clients.

## **Item 7 -Types of Clients**

Pine Street will provide investment advice only to Funds and Separate Accounts (whose beneficial owners may be, for example, pension plans, trusts or other institutional investors).

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

### **A. Methods of Analysis and Investment Strategies**

For its Clients, Pine Street Provides access to emerging hedge fund managers, with a particular emphasis on woman and minority-owned hedge funds, in a structure that meets best-in-class institutional investor requirements for transparency, trade-based risk management and control of assets. Pine Street goal is to provide institutional investors access to differentiated risk-adjusted returns.

Starting with a comprehensive research survey in 2008, Pine Street's principals have been first movers in the woman and minority hedge fund manager space and accumulated substantial knowledge and experience, encapsulated in its extensive proprietary database of established women and minority owned, as well as other, private fund managers. Pine Streets goals will be to: (i) select talented emerging managers; (ii) help them realize their risk-adjusted return potential (particularly managing downside volatility); and (iii) assist them in developing their businesses, generally by entering into a in a seeding arrangement with such managers, which generally will allow Clients to obtain beneficial investment terms.

Managing risk is an essential component of Pine Street's investment philosophy and reflected in Pine Street's strategy and portfolio construction process, which will include steps designed to: (i) identify and evaluate the investment edge and risk management processes of potential portfolio managers; (ii) evaluate the breadth and depth of the investment opportunity targeted by the portfolio manager; and (iii) analyze the potential correlation of the various alpha sources; with a focus on: (i) predefining and monitoring investment guidelines unique to each manager's strategy as well as (ii) diversification in selecting global investment strategies with unique alpha sources.

Pine Street takes a enterprise value approach to manager development by utilizing the varied experience of principals at top tier investment management firms, Pine Street's principals actively work in partnership with the portfolio managers to assist in developing and growing businesses that can attract capital from institutional sources.

B. Material Risks of the Pine Street's Investment Strategies.

THE FOLLOWING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE LIST OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN A FUND OR SEPARATE ACCOUNT MANAGED BY PINE STREET. PROSPECTIVE INVESTORS SHOULD READ THE OFFERING DOCUMENTS OF FUND OR SEPARATE ACCOUNT AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST. AN INVESTMENT IN A CLIENT IS SUITABLE ONLY FOR SOPHISTICATED EXPERIENCED INVESTORS.

General Investment Risks. There can be no assurance that Pine Street will achieve its investment objectives. Any factor that would make it more difficult to execute timely investments, such as a significant reduction of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by Pine Street will be successful under all or any market conditions. Investments may decline in value.

No Operating History. Pine Street is recently formed with no operating results, therefore investors have no basis upon which to evaluate its ability to achieve its business objectives or judge its prospects for success. Pine Street has no plans, arrangements or understandings with any prospective target business concerning a business combination and may be unable to complete an acquisition.

No Participation in Management. Investors will not participate in management and are dependent on Pine Street for management of the Client and its investments.

Expenses. Expenses associated with effecting Pine Street's investment objectives, methods and strategies may be materially significant.

Start-Up Periods. Pine Street may encounter start-up periods during which it will incur certain risks relating to the initial investment of newly contributed assets.

Illiquidity. Interests in a Client are highly illiquid, have no public market and are generally not transferable except with the prior consent of Pine Street.

Competition. Pine Street expects to encounter intense competition from other entities having similar business objectives, including Hedge fund of funds, venture capital funds, leveraged buyout funds and operating businesses competing for acquisitions. Pine Street expects that its investee companies will compete with other companies in their respective businesses.

Litigation Risks. Pine Street and its investee companies will be subject to a variety of litigation risks.



Limited Access to Information. Although Pine Street generally provides access to material and substantive information concerning a Client, the rights of investors to information regarding a Client and its investee companies will be limited. Decisions by Pine Street to withhold information may have adverse consequences for an investor.

Exculpation and Indemnification. The Offering Documents will contain provisions that relieve Pine Street and its principals and representatives of liability for certain improper acts or omissions.

Legal Counsel. Documents relating to a Client, including the Subscription Documents to be completed by each investor, as well as the Organizational Documents, will be detailed and often technical in nature. Legal counsel to Pine Street will represent the interests solely of the Company and will not represent the interests of any investor.

Risks Associated with Underlying Investments. Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises are difficult tasks. There is no assurance that Pine Street will be profitable and there is a substantial risk that a Client's losses and expenses will exceed its income and gains.

Securities Regulations Concerning Private Placements. Pine Street may invest assets directly in securities that are not registered under the Securities Act in reliance upon an exemption from registration pursuant to the provisions of the Securities Act, including those provided by Regulation D. Unless such securities are subsequently registered under the Securities Act, they may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of any applicable securities law (the "Securities Acts"). Therefore, securities purchased pursuant to such exemptions, including Regulation D, are often illiquid and subject to the risks referred to above.

Reliance on Individual Members of Pine Street. Each Client will be particularly dependent upon the efforts, experience, contacts and skills of the individual members of Pine Street. The loss of any such individual could have a material, adverse effect on a Client.

#### C. Recommendation of a Particular Type of Security

Pine Street will not recommend any particular type of security. There are no material limitations to the types of securities in which Pine Street may recommend to its Clients (subject to anything to the contrary in the relevant Offering Documents of a particular Client). For a complete discussion of the securities in which Pine Street may invest, please see Item 4(B) hereof – "Advisory Business, Description of Advisory Services", and Item 8A hereof – "Methods of Analysis and Investment Strategies."

### **Item 9 - Disciplinary Information**

There are no known legal or disciplinary events that would be material to Clients' evaluation of Pine Street's advisory business or the integrity Pine Street.

## **Item 10- Other Financial Industry Activities and Affiliations**

Neither Pine Street nor any of its management persons are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Pine Street nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. As set forth in Item 4 B. hereof – “Description of Advisory Services”, Pine Street investment strategy includes recommending investments in private funds and separately managed accounts managed by third party investment managers, with which Pine Street may enter into seeding arrangements. Pine Street does not otherwise receive compensation directly or indirectly from such third party advisers.

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

Pine Street recognizes and 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 are paramount; and (iii) it has a fiduciary duty to its Clients to act solely for their benefit. All personnel of Pine Street must put the interests of Pine Street’s Clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of Pine Street must also comply with all federal securities laws. In this vein, Pine Street has adopted a Code of Ethics governing personal trading by its personnel. Among other requirements, the Code of Ethics requires personnel who have access to client portfolio information or Pine Street's non- public securities recommendations to pre-clear certain securities transactions and report certain personal securities holdings to Pine Street, and Pine Street is required to review such reports. Clients or prospective clients may obtain a copy of Pine Street’s Code of Ethics by contacting Carrie Lee whose contact information can be found on the cover page of this Brochure.

Affiliates of Pine Street may serve as a general partner and/or managing member of Clients or of entities in which Clients may invest. Neither Pine Street nor a related person recommends to Clients, or buys or sells for Clients, securities in which Pine Street or a related person has a material financial interest, other than potentially as investors alongside, or in, a Client.

Pine Street and its related persons may invest their personal funds in a Client, and, therefore, such persons may hold an indirect interest in the same securities as other investors in the Client. Further, a related entity of Pine Street is the general partner of certain of the Clients. In addition, certain employees of Pine Street may own securities in their personal accounts that are also recommended by Pine Street to its Clients. Pine Street has established procedures intended to limit conflicts of interest in cases where Pine Street, a related

person or any employee, buys, sells or otherwise has an interest in, securities recommended by Pine Street to its Clients.

## **Item 12 Brokerage Practices**

Pine Street's primary investment strategy does not involve the execution of securities transactions through a broker-dealer. However, except for the general investment guidelines set forth in each Offering Document of a Client, and Pine Street's internal best execution policies described herein, there may be no limitations on the authority of Pine Street with respect to the selection of broker-dealers with which it will do business. Pine Street is not now, but may in the future be authorized to determine the broker-dealer to be used for securities transactions. Portfolio transactions will be allocated to brokers based upon best execution, which may include a consideration of such broker's provision or payment of the costs of research and other services. In selecting brokers or dealers to execute transactions, Pine Street need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. While Pine Street generally does not enter into traditional "soft dollar" arrangements, it is not Pine Street's practice to negotiate "execution only" commission rates; thus, a Client may be deemed to be paying for research services provided by the broker which are included in the commission rate. Research and related services furnished by brokers will be limited to services that constitute research within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Accordingly, research and related services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services, along with hardware, software, databases and other technical and telecommunication services, lines, and equipment (including updates, replacement parts, repairs and service thereon) utilized in the investment management process. Research services obtained by the use of commissions arising from a Client Account's portfolio transactions may be used by Pine Street in its other investment activities.

In selecting brokers and negotiating commission rates, Pine Street will take into account available information regarding the financial stability and reputation of brokerage firms and the brokerage, research and related execution services provided by such brokers (consistent with best execution), although the Client for which the transaction was effected, may not, in any particular instance, be the direct or indirect beneficiary of the research or related services provided.

Pine Street has not directed Client transactions to a particular broker-dealer in return for Client referrals in its last fiscal year. Pine Street does not routinely recommend, request, permit or require its Clients to direct the execution of securities transactions through a

specified broker-dealer.

Pursuant to Pine Street's Asset Allocation Policy, Pine Street may aggregate orders of its accounts for trade execution and thereafter allocate the securities on an average price basis to such accounts. Transactional expenses are not reduced because of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single client. It is Pine Street's belief that the above-described procedure for aggregating and allocating customer orders is consistent with the SEC's procedures recommending aggregation. Pine Street also believes that aggregation is consistent with its duty to seek best execution for all its Clients.

In the future, if Pine Street should have multiple Clients, Pine Street may deem it to be in the best interests of its Clients to reallocate or "cross" securities transactions between client accounts. Pine Street maintains policies and procedures intended to limit the potential conflicts of interest inherent in these transactions. Cross transactions will only be effected if they are deemed to be in the best interests of the particular Clients involved and will be conducted in compliance with such policies and procedures and applicable law.

### **Item 13 Review of Accounts**

Pine Street's portfolio manager monitors the Account portfolio on a daily basis and more often as specific market conditions and circumstances may dictate. Upon completion of the Client's annual independent audit with respect to any fiscal year, Pine Street shall cause to be delivered to each investor financial statements of the Client for such Fiscal Year, as well as a summary update of the Client's investments for such Fiscal Year. Pine Street shall also cause to be delivered to each investor within 20 business days after the end of each month, a monthly unaudited update with respect to the Clients performance data, the Client's risk/return profile, summary statistics and its unaudited capital account balance.

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

Pine Street does not receive compensation from non-Clients. Pine Street may compensate properly registered third-parties for client referrals. All such arrangements shall be conducted in compliance with applicable law, rules and regulations.

### **Item 15 Custody**

Pine Street does not have custody of the cash or securities of the Account. However, in the future, Pine Street may be deemed to have constructive custody of certain Client assets as a result of fee payments or the service of its affiliates as general partners to private investment partnerships. In such case, Pine Street would supervise the completion of audits of the Client of which assets it was deemed to have custody by an independent public accountant as well as the distribution of audited financial statements prepared in accordance with generally

accepted accounting principles to each such Client investors within 120 days of each such Client's fiscal year end. Investors should carefully review all account statements.

### **Item 16 Investment Discretion**

Pine Street currently provides only non-discretionary investment advisory services.

### **Item 17 Voting Client Securities**

Pine Street has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that in cases where Pine Street votes proxies with respect to securities of a Client, such proxies are voted in the best interests of the Client. The Procedures also require that Pine Street identify and address conflicts of interest between Pine Street and the Client. If a material conflict of interest exists, Pine Street will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the Client or take some other appropriate action. Pine Street need not vote all proxies received by a Client. In many instances, the disparate interests of the Client may make it difficult for Pine Street to determine a manner in which to vote. It is Pine Street's general policy not to vote proxies for securities that are not held in a Client Account at the time such proxy is received or on the vote date of such proxy. However, if Pine Street does vote, Pine Street shall cast ballots in a manner it believes to be consistent with the interests of the Client and shall not subordinate the interests of the Client to its own. Pine Street will determine whether a proposal is in the best interests of the Client and may take into account the following factors, among others: (i) whether the proposal was recommended by management and Pine Street's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance. Clients or prospective Clients may obtain a copy of Pine Street's proxy voting policies by contacting Carrie Lee whose contact information can be found on the cover page of this Brochure.

### **Item 18 Financial Information**

Pine Street is not required to include a balance sheet because it does not require or solicit the payment of fees six months or more in advance. Pine Street also has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.