

**Item 1 – Cover Page**

**Permit Capital Advisors, LLC**  
**100 Front Street, Suite 940**  
**West Conshohocken, PA 19428**  
**(610) 834-5870**  
[kcrowley@permitcapital.com](mailto:kcrowley@permitcapital.com)  
[www.permitcapital.com](http://www.permitcapital.com)

This brochure provides information about the qualifications and business practices of Permit Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact Kimberly Crowley at (610) 834-5874 or [kcrowley@permitcapital.com](mailto:kcrowley@permitcapital.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 Permit Capital Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Permit Capital Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

**Item 2 – Material Changes**

On July 28, 2010, the SEC published “Amendments to Form ADV,” which amends the disclosure document (the “brochure”) that we are required to provide to our clients. This brochure, dated March 30, 2013, is a new document prepared in accordance with the SEC’s new requirements and rules. As such, this document is materially different in structure from the prior Part 2 section of the ADV and contains certain new information required by the SEC.

In the future, this item will summarize the material changes to the brochure since our last annual update.

Pursuant to new SEC rules, we will provide clients with a summary of any material changes to this and subsequent brochures within 120 days of the end of our fiscal year. We will also provide ongoing disclosure about material changes, as necessary.

Clients and prospective clients may obtain a copy of this brochure, free of charge, by contacting Kimberly Crowley, Chief Compliance Officer at (610) 834-5874 or [kcrowley@permitcapital.com](mailto:kcrowley@permitcapital.com).

**Item 3 – Table of Contents**

|   |   |
|---|---|
| Item 1 – Cover Page.....  | 1 |
| Item 2 – Material Changes.....  | 2 |
| Item 3 – Table of Contents.....   | 3 |
| Item 4 – Advisory Business.....   | 4 |
| Item 5 – Fees and Compensation.....   | 5 |
| Item 6 – Performance- Based Fees and Side by Side Management.....                                     | 5 |
| Item 7 – Types of Clients.....  | 5 |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....                             | 5 |
| Item 9 – Trading Practices .....  | 6 |
| Item 10 – Disciplinary Information.....   | 6 |
| Item 11 – Other Financial Industry Activities and Affiliations.....                                   | 6 |
| Item 12 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading..... | 6 |
| Item 13 – Brokerage Practices.....  | 7 |
| Item 14 – Review of Accounts.....   | 7 |
| Item 15 – Client Referrals and Other Compensation.....  | 8 |
| Item 16 – Custody.....  | 8 |
| Item 17 – Investment Discretion.....  | 8 |
| Item 18 – Voting Client Securities.....   | 8 |
| Item 19 – Financial Information.....  | 8 |

#### **Item 4 – Advisory Business**

Permit Capital Advisors, LLC is a registered investment advisory firm located in West Conshohocken, PA that was founded in 2011. Our investment advisory services begin with a thorough process designed to develop an understanding with each client about an appropriate investor profile. This includes a determination of the client's financial objectives, time horizon, and risk and budgetary constraints. Once the profile is established, we create an Investment Policy Statement (IPS) which serves as a guidepost for future decisions. We simultaneously perform a series of investment simulations designed to help the client target an appropriate strategic asset allocation. We then focus on portfolio construction which combines the selection of appropriate investments whose strategic weightings are guided by the client's goals, and our viewpoints of the global macroeconomic and market landscape. Most often the investments selected are allocations to external managers, utilized because of their proven expertise in a narrow segment of the investment universe.

Investments are recommended based upon a process that evaluates both qualitative and quantitative factors. The investment advice that we provide covers the entire spectrum of investment solutions, both traditional and alternative. The process of taking individual investments and building a portfolio requires an overarching analysis of correlations and factor exposures across asset classes and managers.

Portfolio monitoring, reporting, and communications with the client are an ongoing and fluid service designed to ensure that clients are fully aware of their current positioning and have a benchmark to evaluate the effectiveness of the advice we are furnishing. Reports are provided on a quarterly basis and summarize a client's financial position and the performance of both the total portfolio and its underlying components.

The advisory services that we provide are tailored to the individual needs of clients. Beginning with the collaborative process designed to create an Investment Policy Statement, as noted above, we deliver customized solutions to clients based on their specific circumstances. While there is commonality of themes and investment managers across many portfolios, the actual composition of each client's portfolio is unique to that client's particular needs and goals. Based on the range of investor profiles, there are a variety of strategies and allocations that provide individual clients with the appropriate portfolio risk parameters.

There are also structural differences in the services that clients receive. Clients have the option to engage in a relationship that is discretionary in nature, non-discretionary, or a hybrid of the two. In most cases the hybrid option involves client approval before an investment is made initially, while giving us authority to make changes across previously approved investments without the client's consent. If the change would result in a breach of IPS guidelines, client consent is required. Beyond the needs of individual clients, there are also eligibility considerations that influence the investment opportunities that we can offer to various clients. Accreditation standards afford some clients access to investment solutions, most often alternative investments, that others can't access.

As of March 30, 2013, the filing date of our most recent ADV annual amendment, we have approximate assets under management of \$310,455,869.

## Item 5 – Fees and Compensation

Our fees are cumulative based on the level of client assets.

| Assets                       | Annual Advisory Fees |
|------------------------------|----------------------|
| \$0 – \$9,999,999            | .75%                 |
| \$10,000,000 – \$24,999,999  | .50%                 |
| \$25,000,000 – \$49,999,999  | .35%                 |
| \$50,000,000 – \$249,999,999 | .25%                 |
| \$250,000,000 and above      | .20%                 |

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

Permit Capital Advisors, LLC does not charge performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets of a client).

## Item 7 – Types of Clients

Permit Capital Advisors, LLC targets high net worth individuals, family offices, and institutions.

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

There are two distinct analytical processes that we perform when providing investment advice: the decision about how to allocate across various asset classes and the determination of the most appropriate investment solutions within each selected asset class. The potential for loss, of either real or nominal value, is inherent in the decision to invest in capital markets. Many studies indicate that the most significant determinant towards satisfaction of investment goals is the asset allocation process. That is why we spend significant time and energy dedicated to the services described in Item 4.

The due diligence that results in specific allocations to each asset class begins with a sourcing process within an open architecture structure. This includes both external managers who take an active approach to selecting securities for a portfolio and passive investments, most often designed to replicate the performance of a published index. The initial phase examines both qualitative and quantitative metrics at a high level and then moves to a more robust analysis as the universe of options is winnowed down. Our analysis includes on-site visits with managers where we analyze the quality of an organization and its employees and conduct a thorough study of the investment process and historical results. We seek managers who have a proven track record relative to benchmarks and peers, along with a persistent adherence to their investment philosophy.

The investment process described above is designed to mitigate risks to whatever extent possible, however investment risk cannot be eliminated entirely. Systematic risks can be reduced through hedging techniques but in the aggregate, markets will always bear some degree of risk. Idiosyncratic risk can be reduced through appropriate diversification across less correlated asset classes.

Equity investing bears risks that include systematic as well as more specific factors. These include company specific issues as well as industry and sector considerations that could result in a security underperforming expectations. Fixed income investing poses risks that stem from interest rate movements, credit deterioration, or loss of real purchasing power as a result of inflation, among others. Alternative investments, while often designed to reduce the other forms of risk, face a range of their own risks including liquidity and counterparty difficulties. We take all of these risks into consideration when building portfolios for our clients.

### **Item 9 – Trading Practices**

PCA does not currently aggregate trades for clients

#### Participation or Interest in Client Transactions

Neither Permit Capital Advisors, LLC nor any of our associated persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in the Brochure.

#### Personal Trading Practices

Our policy reflects the fact that Permit Capital Advisors, LLC or persons associated with our firm may only buy or sell securities in a manner that is consistent with activity in client accounts, but does not precede or occur at the same time as client transactions. In addition all trades of associated persons must be submitted to the Chief Compliance Officer for written approval prior to trading.

### **Item 10 – Disciplinary Information**

Permit Capital Advisors, LLC and all associated persons have never been disciplined.

### **Item 11 – Other Financial Industry Activities and Affiliations**

Permit Capital Advisors, LLC has no such conflicts.

### **Item 12 – Code of Ethics**

#### Code of Ethics

Permit Capital Advisors, LLC strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our associated persons. Our goal is to protect client interests at all times and to demonstrate our commitment to our

fiduciary duties of honesty, good faith, and fair dealing with clients. All of our associated persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about client account holdings by persons associated with our firm.

Our Code of Ethics is available upon request and you may obtain a copy by contacting Kimberly Crowley, Chief Compliance Officer at (610) 834-5874.

### **Item 13 – Brokerage Practices**

#### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

Permit Capital Advisors, LLC seeks to obtain the best execution for the client while taking into account the following: execution price of the trade, cost of transaction, ease and speed of execution, and the reliability and experience of the broker.

Clients are free to select any broker-dealer they choose and should confirm for themselves that this does not result in any additional costs or disadvantages and that the broker-dealer they choose meets the above criteria to their satisfaction.

In circumstances where a Client seeks to direct the use of a certain broker-dealer, PCA requires that such direction be provided by the Client in writing, either as part of the Investment Advisory Agreement or by separate instruction. Generally, PCA will recommend the broker-dealer to the Client, but does not have discretion to choose the broker and/or custodian for Client Accounts. Clients will establish an account with a specific broker and/or custodian and direct PCA to place trades with that broker. Under these circumstances, the direction by a Client of a particular broker or dealer to execute transactions means that the Advisor does not have the ability to choose the price of the security traded or the commission paid. The result could be greater spreads, or less favorable net prices than might be the case if we were empowered to negotiate commission rates or spreads freely or to select brokers or dealers based on best execution.

#### **B. Soft Dollar Practices**

Permit Capital Advisors, LLC does not participate in soft dollar practices.

### **Item 14 – Review of Accounts**

Client accounts are reviewed on a quarterly basis by the portfolio managers. Dislocation in market conditions or abnormalities in the economic landscape can trigger interim reviews of all client portfolios. Changes in

client specific circumstances will trigger an automatic review of that particular client's portfolio and investment policy statement.

Clients receive quarterly reports for all accounts. These reports include current market values as well as quarterly investment performance.

**Item 15 – Client Referrals and Other Compensation**

Permit Capital Advisors, LLC does not provide compensation for any client referrals.

**Item 16 – Custody**

Permit Capital Advisors, LLC has the ability to deduct advisory fees directly from client accounts and will send invoices to various client custodians for these fees. The custodians will then debit the accounts and forward the funds to Permit Capital Advisors, LLC. The client will receive monthly statements from their custodians that will provide details of the debited advisory fees. They are advised to compare these statements with the quarterly reports received from Permit Capital Advisors, LLC.

**Item 17 – Discretion**

Permit Capital Advisors, LLC may receive discretionary authority from accounts to select the specific security to be bought or sold and the size of the transaction. In all cases such discretion is to be exercised in a manner consistent with the stated investment objectives for each account according to their advisory contracts and investment policy statement.

**Item 18 – Voting Client Securities**

Permit Capital Advisors, LLC does not have authority to vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

**Item 19 – Financial Information**

- A. Permit Capital Advisors, LLC does not require prepayment of client fees.
- B. There are no financial conditions that are reasonably likely to impair Permit Capital Advisor, LLC's contractual commitments to clients.
- C. Permit Capital Advisors, LLC has never been the subject of a bankruptcy petition.