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## **POINT BREAK CAPITAL MANAGEMENT, LLC**

Form ADV Part 2A

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This brochure provides information about the qualifications and practices of Point Break Capital Management, LLC (öPoint Breakö), an investment adviser registered with the United States Securities and Exchange Commission (öSECö). Registration with the SEC does not imply that Point Break or its employees possess a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any states securities authority.

Additional information about Point Break is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

DATE: March 2013

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## ITEM 2 — MATERIAL CHANGES

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This is Point Break's second Form ADV Part 2A, there are no material changes to this Brochure to report.

Additional information about Point Break is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Point Break who are registered, or are required to be registered, as investment adviser representatives of Point Break.

### ITEM 3 — TABLE OF CONTENTS

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|         |  |    |
|---------|--|----|
| ITEM 2  | MATERIAL CHANGES .....   | 1  |
| ITEM 3  | TABLE OF CONTENTS .....  | 1  |
| ITEM 4  | ADVISORY BUSINESS .....  | 1  |
| ITEM 5  | FEES AND COMPENSATION .....  | 2  |
| ITEM 6  | PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....                                       | 3  |
| ITEM 7  | TYPES OF CLIENTS .....   | 4  |
| ITEM 8  | METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS                                    | 5  |
| ITEM 9  | DISCIPLINARY INFORMATION .....   | 6  |
| ITEM 10 | OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....                                     | 7  |
| ITEM 11 | CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT<br>TRANSACTIONS AND PERSONAL TRADING ..... | 8  |
| ITEM 12 | BROKERAGE PRACTICES .....  | 9  |
| ITEM 13 | REVIEW OF ACCOUNTS .....   | 11 |
| ITEM 14 | CLIENT REFERRALS AND OTHER COMPENSATION .....  | 12 |
| ITEM 15 | CUSTODY .....  | 13 |
| ITEM 16 | INVESTMENT DISCRETION .....  | 14 |
| ITEM 17 | VOTING CLIENT SECURITIES .....   | 15 |
| ITEM 18 | FINANCIAL INFORMATION .....  | 16 |
| ITEM 19 | REQUIREMENTS FOR STATE-REGISTERED ADVISERS .....   | 17 |

## **ITEM 4 — ADVISORY BUSINESS**

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### **Adviser's Advisory Business**

Point Break currently provides discretionary investment management services to Point Break Capital L.P., a Cayman Islands exempted limited partnership (the "Partnership"). These management services are provided through a sub-advisory agreement with Point Break Capital Management Ltd. ("Point Break Cayman"). Point Break was established in February 2012 and is 99% owned by Alexandre Perez. Mr. Perez also owns a small percentage of the shares of Point Break Cayman, which is controlled by a group of international investors.

### **Types of Advisory Services**

Point Break manages investments for the Partnership, the limited partners of which are a small group of high net-worth individuals. Point Break may in the future take on other fund clients in the future as well as clients for separately managed account services.

Point Break generally manages client assets on a discretionary basis but would consider non-discretionary roles as well. Point Break generally seeks to achieve the investment objectives by managing and executing investment strategies on its own.

Point Break's long-term objective for the Partnership is to seek returns in excess of those generated by the overall international private or public equity, credit, debt, fixed-income, foreign exchange and derivative markets and/or other types of illiquid investments, including but not limited to private equity investments. Other clients may have different investment objectives.

### **Investment Restrictions**

With respect to the Partnership, Point Break was granted investment discretion by Point Break Cayman, which means that it is authorized to invest, sell, and reinvest proceeds in the Partnership's account without obtaining the Partnership's prior confirmation of any proposed action. Each client may request its own restrictions on the management of its account at Point Break although Point Break retains the right to reject accounts where it believes that the investment restrictions requested are inconsistent with its investment philosophy and methodology.

### **Wrap Fee Programs**

Point Break does not participate, sponsor or act as portfolio manager for any wrap fee programs.

### **Assets under Management**

Point Break manages client assets on a discretionary basis in the amount of approximately US\$335 million as of December 31, 2012.

## **ITEM 5 — FEES AND COMPENSATION**

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### **Point Break's Basic Management Fees**

Point Break generally charges a fee based upon a percentage of total assets in the account and performance-based fees. Point Break's current fees as charged to the Partnership are described below. Point Break's fees are generally negotiable.

**Monthly Fee:** Point Break's monthly fee is the higher of: (i) 0.0275% of the Partnership's NAV on the last calendar day of the month, or (ii) US\$55,000.

**Performance Fee:** Point Break's performance fee will be determined by the general partner of the Partnership, at the end of each fiscal year as a percentage of the net capital appreciation in the Partnership's net asset value (subject to any hurdles and high water marks).

The specific manner in which Point Break charges fees is established in a client's written agreement with Point Break and, with respect to the fund it manages, is disclosed in the fund's offering document.

Point Break's actual fees, minimum fees, and minimum account sizes may, in certain specific situations, vary from the fees described above. A client may pay more or less fees than similar clients depending on the particular circumstances of the client, size, early investment, liquidity terms, additional or differing levels of servicing or as otherwise agreed with specific clients.

### **Deduction of Fees**

Point Break's clients, including the Partnership, are typically billed monthly in arrears for fees incurred.

### **Other Fees and Expenses**

Point Break does not currently charge additional types of fees or expense in addition to investment management fees and performance-based fees. Point Break's fees are exclusive of brokerage commissions, transaction fees, mark-ups and mark-downs, and other related costs and expenses, which are borne by funds and other clients. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by sub-managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Partnership also pays its own partnership-level expenses (e.g., fund administration, audit, tax and legal) in connection with operating the Partnership.

### **Prepaid Fees**

Point Break does not require clients to prepay any fees.

### **Compensation for the Sale of Securities**

Neither Point Break nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of investment funds.

## **ITEM 6 — PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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As stated in the Fees Schedule section above, Point Break may receive performance based fees/allocation. Point Break, so far, has not engaged in side-by-side management situations.

If, in the future, Point Break charges a performance fee to more than one client or account, these arrangements would create an incentive for Point Break to favor certain accounts over other accounts. Point Break would seek to mitigate the conflict by reviewing trade allocations for fairness over time, to all clients.

## **ITEM 7 — TYPES OF CLIENTS**

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Point Break currently provides portfolio management services exclusively to the Partnership. Details concerning applicable suitability criteria for investment in the Partnership are set forth in the Partnership Agreement. Point Break expects to advise other investment funds and institutional clients.

## **ITEM 8 — METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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### **General Description**

Point Break seeks capital appreciation by searching for undervalued securities offering current income and/or opportunities for future capital appreciation. Point Break adheres to a long-term strategic approach while seeking to meet the investment objectives of income and capital preservation.

Point Break seeks positive total returns on a risk-adjusted basis, with low volatility and correlation to the broader markets. Under normal market conditions, Point Break invests in a diversified portfolio that might include fixed income securities, equities, currencies, commodities and derivative instruments. Point Break may sell short certain securities or indexes for hedging purposes and/or to enhance returns. Investments may also be made in various other derivative instruments, including options and swaps.

Point Break uses qualitative and quantitative proprietary and third party research to make investment decisions and analyzes macroeconomic cycles and structural adjustments as part of the asset allocation decision. Point Break also performs credit analysis of debt issuers and seeks to maintain a diversified portfolio to limit exposure to any given credit.

### **Material Risks for Significant Investment Strategies and Securities**

While it is the intention of Point Break to implement strategies which are designed to minimize potential losses suffered by its clients, there can be no assurance that such strategies will be successful. The following is a discussion of certain material risks for Point Break's significant investment strategies, but it does not purport to be a complete explanation of the risks involved in Point Break's investment strategies.

It is possible that a client may lose a substantial proportion or all of its assets in connection with investment decisions made by Point Break, and there is no guarantee that in any time period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by Point Break. The risks of investing in emerging markets, such as Brazil and other Latin American countries, as well as investing in non-U.S. securities, including European securities are significant. In addition, Point Break may invest, on behalf of its clients, in lower-rated securities, distressed securities, derivatives and convertible securities, or engage in short-selling, which have inherent risks. A client's portfolio may also be subject to interest rate risks, sovereign debt risks and currency risks, which may adversely affect the value of a client's portfolio.

Point Break does not recommend primarily a particular type of security. The material risks involved in Point Break's general investment strategies are described above.

## **ITEM 9 — DISCIPLINARY INFORMATION**

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Neither Point Break nor any management persons have ever been the subject of any disciplinary event or action.

## **ITEM 10 — OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **Broker-Dealer Registration**

As of March 2013, none of the Point Break management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration**

Neither Point Break nor any of its employees is registered or has 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. Point Break relies on the CFTC Rules 4.13(a)(3) and 4.14(a)(8) exemptions from commodity pool operator and commodity trading advisor registration, respectively.

### **Other Material Relationships**

Point Break has no relationships or arrangements with affiliates that are material to our advisory business or to our clients except for its relationship with Point Break Cayman through which it receives the sub-advisory fee for its services to the Partnership. Even though Point Break Cayman bears a name that is similar to Point Break's name, the two companies are not affiliated and neither company controls the other company.

### **Receipt of Compensation from Investment Advisers**

Point Break does not recommend or select other investment advisers for the Partnership or receive compensation, either directly or indirectly from other advisers except with regard to the subadvisory fees it receives from Point Break Cayman.

## **ITEM 11 — CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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### **Code of Ethics**

As a fundamental mandate, Point Break demands the highest standards of ethical conduct and care from all of its employees, officers, and directors. All employees of Point Break must abide by this basic business standard and must not take inappropriate advantage of their position with Point Break. Each employee is under a duty to exercise his or her authority and responsibility for the primary benefit of our clients and may not have outside interests that inappropriately conflict with the interests of Point Break or of Point Break's clients. Each employee must avoid circumstances or conduct that adversely affect or that appear to adversely affect our clients. Every employee must comply with applicable federal securities laws and must report violations of its Code of Ethics to our Chief Compliance Officer.

In recognition of Point Break's fiduciary duty to its clients and its desire to maintain high ethical standards, Point Break adopted a Code of Ethics, pursuant to Rule 204A-1, promulgated under the Advisers Act, containing provisions designed to prevent improper personal trading, identify conflicts of interest, and provide a means to resolve any actual or potential conflicts in favor of Point Break's client and prospective clients. Clients or prospective clients may obtain a copy of the Adviser's Code of Ethics upon request.

### **Participation or Interest in Client Transactions, Recommendations, and Trading**

Principals, officers and employees of Point Break and its related persons and affiliates are or may be investors in the Partnership. As such, it is possible that Point Break could cause the Partnership to buy or sell securities that one of its related persons has a financial interest.

Point Break employees must disclose or avoid activities, interests, that run contrary (or appear to run contrary) to the best interest of the Partnership and any future clients. That includes trading in certain instruments held by the Partnership.

## **ITEM 12 — BROKERAGE PRACTICES**

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### **Broker-Dealer Selection**

In the course of providing our services, we will execute trades for our clients through broker-dealers. Point Break has no restriction on the brokers we may select to execute client transactions. Our general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, we consider a number of factors, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, our past experience with similar trades, and other factors which may be unique to a particular order.

Based on these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees. In addition, Point Break may cause a client to pay a commission that is higher than the lowest available commission if Point Break believes that the value of the products and services, execution and other services rendered by the broker are reasonable in relation to the amount of the commission.

### **Research and Other Soft Dollar Benefits**

Consistent with seeking to obtain best execution, brokerage commissions on transactions may be directed to brokers in recognition of research services furnished by them, as well as for services rendered in the execution of orders by such brokers. Point Break would not be required to place or attempt to place a specific dollar value on the brokerage or research services provided by such broker.

### **Brokerage for Client Referrals**

Point Break does not select or recommend a broker-dealer based on whether Point Break or a related person receives client referrals from a broker-dealer or third party.

### **Directed Brokerage**

Point Break does not recommend, request or require clients to execute transactions through a specified broker-dealer.

### **Aggregation of Trades**

Point Break, for now, only manages investments for the Partnership and does not need to aggregate trades. In the future, Point Break may from time to time aggregate purchases and/or sales as a single transaction. Transactions could be aggregated to seek a lower commission, lower costs, or a more advantageous net price. The benefits, if any, obtained as a result of such aggregation, will be generally allocated pro-rata among the different clients or accounts that participated in the aggregated transaction by charging all clients the same price per unit of the security acquired.

## **ITEM 13 — REVIEW OF ACCOUNTS**

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### **General Description**

Point Break's investment team monitors capital market conditions and client circumstances and makes portfolio adjustments as appropriate. Client accounts are formally reviewed quarterly for compliance with investment guidelines. At a minimum, the Portfolio Manager and Chief Compliance Officer participate in the review.

Investors receive periodic written performance reports from Point Break and will receive audited financial statements annually from Point Break's accountants. Clients receive written performance reports monthly from Point Break and account statements from the Administrator.

### **Factors Triggering a Review**

There are no specific triggering factors leading to a review.

## **ITEM 14 — CLIENT REFERRALS AND OTHER COMPENSATION**

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### **Other Compensation**

Point Break does not receive any benefits, economic or otherwise, from non-clients for providing investment advice or other advisory services.

### **Compensation for Client Referrals**

Point Break does not directly or indirectly compensate any person for client or investor referrals.

## **ITEM 15 — CUSTODY**

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Point Break believes that it does not have custody of any client funds or securities. Investors in the Partnership receive account statements quarterly directly from the Partnership's Administrator. Point Blank urges Investors to review the account statements received carefully.

## **ITEM 16 — INVESTMENT DISCRETION**

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Point Break has discretionary authority to manage securities on behalf of the Partnership. Under this discretionary authority, Point Break can invest, sell, and reinvest proceeds in the Partnership's account without obtaining the Partnership's prior confirmation of any proposed action. In all cases, however, such discretion is to be exercised in a manner consistent with the Partnership's stated investment objections.

## ITEM 17 — VOTING CLIENT SECURITIES

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### **Proxy Voting Policies – Authority to Vote**

In general, Point Break has adopted policies and procedures designed to ensure that it votes proxies and casts votes at meeting in the best interests of clients, disclose to clients information about those policies and procedures, and disclose to clients how they may obtain information on how Point Break has voted their proxies (for purposes of the discussion below, “proxies” are understood to include votes cast at meetings).

On behalf of its clients, Point Break invests in publicly listed securities. In relation to these investments, Point Break has the authority to vote proxies. Proxy voting decisions are the responsibility of the portfolio managers and are made in accordance with Point Break’s proxy voting policies and procedures.

Point Break decides each proxy vote on a case-by-case basis and takes into account the best interests of its clients, as well as any potential conflicts of interest among its clients and Point Break or its affiliates. Point Break is responsible for identifying any potential conflicts of interest that may arise in the proxy voting process. Point Break will refer any conflicts of interest to the designated principals for resolution.

Point Break will follow the proxy voting procedures and policies discussed above. In addition, Point Break will retain (i) written proxy voting policies and procedures; (ii) proxy statements provided by the prime broker/custodian regarding client securities; (iii) records of votes cast on behalf of clients; (iv) records of clients requests for proxy voting information; and (v) any specific documents Point Break prepared that were material to making a decision how to vote, or that memorialized the basis for the decision. Point Break’s proxy voting policies and procedures and information on how specific proxies were voted is available to clients and prospective clients upon request.

### **Proxy Voting Policies - No Authority**

In the future, it might be that some of our clients maintain the authority to vote their own proxies. In these circumstances, we will forward the received proxies directly to our clients. We will sometimes forward our view and recommendation on a particular proxy or solicitation to a client for their consideration, but the client is under no obligation to consider our views. Alternatively, we also can respond to proxy questions from clients as needed.

## **ITEM 18 — FINANCIAL INFORMATION**

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### **Balance Sheet, Financial Conditions, Bankruptcy Petition**

Point Break does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and thus has not included a balance sheet of its most recent fiscal year.

Point Break is not aware of any financial condition that is reasonably likely to impair its ability meet its contractual commitments to clients, nor has Point Break been the subject of a bankruptcy petition at any time during the past ten years.

## **ITEM 19 — REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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Point Break is not registered as an investment adviser with any state.

### **ADDITIONAL INFORMATION**

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#### **Privacy Policy**

Point Break collects personal information primarily to provide investment management services, communicate information about its products and services and process subscriptions in private investment vehicles that it may advise or sub-advise. Personal information, which may be obtained from discussions with its clients and investors and documents clients and investors may deliver to Point Break, may include a client's or investor's name, address, telephone number, social security number or tax identification number, assets, net worth, income, bank account information and occupation (collectively, "Personal Information").

Point Break permits only authorized individuals, who have been advised as to the proper handling of investor information, and who need to access this information to perform services, to have access to this information. These authorized individuals are required to maintain and protect the confidentiality of Personal Information. Point Break maintains physical, electronic and procedural safeguards to protect Personal Information.

In order to service client investments and process transactions for client investments, Point Break may provide Personal Information to its affiliates and to non-affiliated third-party financial service providers that assist Point Break in servicing client investments and have a need for such information, such as a broker-dealer, administrator, or registrar and transfer agent. In addition, Point Break may share Personal Information with non-affiliated third-party non-financial service providers, in order to process or service transactions or products. Any such contract entered into by Point Break will include provisions designed to ensure that the third-party will uphold and maintain Point Break's privacy standards when handling Personal Information. Point Break may also disclose Personal Information to regulatory authorities as required or permitted by applicable law. Point Break does not otherwise provide information about any client to outside firms, organizations or individuals except at the client's request or to Point Break's attorneys, accountants and auditors and as permitted by law. Except as described in this Privacy Policy, Point Break will not use Personal Information for any other purpose unless Point Break describes in advance how such Personal Information will be used and clients are given an opportunity to decline approval of such use of their Personal Information.