



# PERPETUUM CAPITAL

safe | longterm | distinct

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## **Company Brochure 2013**

This brochure provides information about the qualifications and business practices of Perpetuum Capital. If you have any questions about the content of this brochure, please contact us at [info@pcapital.com](mailto:info@pcapital.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 Perpetuum Capital also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

PC is a registered investment advisor please note that a registration with the SEC does not imply a certain level of skill or training.

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## **1. Advisory Business**

### **A. Founding and Ownership Structure**

Perpetuum Capital was founded in January 2013 by CEO Karoly-Zsolt Aczel, MBA who is the sole shareholder of the company. Perpetuum Capital is headquartered in Baar, Canton of Zug in Switzerland.

### **B. Types of advisory service**

We tailor our advisory services around the consulting of an individuals portfolio without custody of the assets. We aim to be the investors second option:

- Regarding your investment manager
- The costs
- Your portfolio and
- The performance

We are concerned if you are happy/satisfied with the results of your current advisor/wealth manager and his services. We aim to carefully revise about:

- The cost of your asset manager
- The underlying portfolio strategy and
- The selection of your investments

### **C. Investment in certain securities and restrictions**

Does not apply to our company as we only give consulting to an existing portfolio, which is under the management of another asset/wealth manager. We have no custody of accounts.

### **D. Wrap fee program**

Does not apply to our company. We do not participate in any wrap fee programs.

## **E. Managing of client assets**

We only manage on a non-discretionary basis.

## **2. Fees and Compensation**

### **A. Compensation Policy**

We offer two compensation possibilities depending on your needs. One per hour and one as a flat fee.

Per hour compensation model:

As independent advisors, we never receive compensation from investment products or purchases. All investment choices are objective, thoughtful and tailored to your needs.

Meeting our mission requires objectivity and independence. This is why we provide wealth management on a fee-only basis. Unlike broker-dealers, we do not sell insurance or investment products, nor do we receive commissions in exchange for recommending certain products. Instead, we earn our fees as a registered investment advisor who must at all times act independently and exclusively in your interest.

This means that as our client, you have our exclusive allegiance. Your interests will never be compromised by the incentive of a commission or a limited selection of products and services.

Perpetuum Capital has the flexibility and fiduciary obligation to consult on client portfolios based on historical evidence rather than Wall Street hype.

We recommend our hourly-based pricing if you are looking for comprehensive financial, investment and wealth management planning services.

Flat fee compensation model:

While most of our clients are entrepreneurs, young professionals, and retirees, our innovative business model enables us to work with nearly anybody. We have no product requirements, we can look at each client and their goals uniquely, without the common conflicts you might encounter at another firm.

We offer flat fees for a package of services and recommend our flat fee pricing for:

- Clients who need specific advice about one or a few financial topics.
- Do-it-yourselfers who just want a professional's opinion.
- Clients who want to do as much as possible to save money but want expert analysis and direction.

## **B. Fee Policy**

We are billing on a monthly basis for fees incurred.

## **C. Other Fees**

There are no other fee arrangements whatsoever. We do only charge per hour or flat. There are no hidden fees.

## **D. Advanced payments**

For new clients 50% of all charges have to be paid upfront. If the advisory contract is terminated before the end of the billing period there will be refund of the upfront fee. The second half of the fee will be refunded. The refund will be determined based on the requested service and the upfront and the full fee.

## **E. Other compensation**

Perpetuum Capital does not accept any compensation for the sale of securities or other investment products including asset based sales, charges or service fees from the sale of mutual funds.

### **E.1. Conflict of interest**

There is no conflict of interest out of the sale of securities or other investment products, because we charge on a hourly or flat fee basis.

### **E.2. Freedom of investment choice**

You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Perpetuum Capital.

### **E.3. Exclusive compensation**

No more than 50% of our revenue from advising clients result from commissions, because we do not receive any commissions.

### **E.4. Additional Fees**

We do not charge any additional fees. Neither do we receive any markups.

## **3. Performance based fees and site by site management**

We do not accept performance-based fees therefore we can avoid conflict of interest. We get compensated based only on our hourly or flat fee rates. No other types of fees do apply to the same client at once.

## **4. Types of Clients**

We provide investment advice to individuals. The minimum account size is 50.000 USD.

## **5. Methods of analysis, investment strategies and risk of loss**

### **A. Methods of analysis**

Do you already know your way around the key financial markets and want to make your own investment decisions? Our offering gives you this freedom, while ensuring we are there whenever you need our advice.

Our approach centers on sustainable, long-term and safe investment advice coupled with the prudent assessment of risk within your portfolio. We always take your needs, wishes and expectations into account.

As part of our intensive dialogue with clients, we place our expertise and stock market information at your disposal and support you in implementing your investment decisions. Your risk appetite, perception and tolerance are of course systematically reviewed at regular intervals.

In order to maintain our independence it is of tremendous importance that you understand that we will never hold custody of your accounts or of your money. We only advise on existing strategies, double check the overall performance and give guidance on costs.

Nonetheless it is important to understand that advice taken by us also bears risks, which could lead to a total loss of your investments.

### **B. Investment strategies**

Our investment advice centres on your needs. We want to get to know you and to understand your personal circumstances and goals. We want our relationship to be based on trust and to be focused in finding investment solutions that are tailored to your personal circumstances and financial position.

Portfolio analysis involves quantifying the operational and financial impact of the portfolio. It is vital to evaluate the performances of investments and timing the returns effectively.

The analysis of a portfolio extends to all classes of investments such as bonds, equities, indexes, commodities, funds, options and securities. Portfolio analysis gains importance because each asset class has peculiar risk factors and returns associated with it. Hence, the composition of a portfolio affects the rate of return of the overall investment.

## **C. Investing in a particular type of security**

We are your independent advisor and therefore free of any obligations. We do not operate under restrictions or any particular type of investment. Because of our independence, we can really choose what financial instrument fits most to your needs.

## **6. Disciplinary information**

### **A. Criminal or Civil Action against our senior management or other team members**

There are no criminal or any kind of civil action which has been or is about to get processed against any person of the company. No disciplinary events have been undertaken against the CEO, Karoly Aczel, or any other employee in the company, never. We have very high ethical standards and want to maintain those standards.

### **B. An administrative proceeding before the SEC, any other federal regulatory agency**

No, no proceedings have been undertaken neither against the people working for Perpetuum Capital nor against its employees.

### **C. Self-regulatory organization proceeding**

None, never.

## **7. Other Financial Industry Activities and Affiliations**

Nobody of the organization or the management team are registered, or have an application pending as a broker-dealer, commission merchant or anything similar.

### **C. Relationship arrangements that are material to the company**

Because of our business model, to ask for an hourly fee from the clients, we are not depending from any other entity or institution. We are not in any material relationship with other investment advisors, financial planners, banks, accounting companies, layers, real estate brokers or anything the like. The sole responsibility is against the client, who is the only one that pays for our services. We receive no commissions, fees, or other any kind of compensation from anybody except the client.

### **D. Recommendation of investment advisors**

Although not our primary target, it can happen that we recommend another investment advisor for purposes of the client. However, we do not get any remuneration from that advisor, nor are there any conflicts of interest, because the client pays us only.



## 8. Code of Ethics

We are a SEC registered advisor therefore we comply with the SEC rule 204A-1 regarding the Code of Ethics. We will provide a copy of our code of ethics to any client or prospective client upon request.

Charles Schwab & Co Investment Advisor Code of Ethics (Revised September 2012)

### Introduction

Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act") requires all investment advisors registered with the Securities and Exchange Commission ("SEC") to adopt codes of ethics that set forth standards of conduct and require compliance with federal securities laws. Perpetuum Capital ("PC") is an investment advisor soon to be registered with the SEC with respect to various investment advisory services. To this end, PC hereby adopts this code of ethics ("Advisor Code"). This Advisor Code incorporates by reference the Perpetuum Capital Compliance Manual ("Compliance Manual")\*, which sets forth the standards of business conduct that are required of employees of, and individuals registered with, PC.

This Advisor Code applies to all PC employees and any individual registered with PC as an Investment Advisor Representative ("IAR") as 'Supervised Persons' under the Advisers Act Rules. The Advisers Act defines "Supervised Person" to mean any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment advisor, or other person who provides investment advice on behalf of the investment advisor and is subject to the supervision and control of the investment advisor.

This Advisor Code is intended to reflect fiduciary principles that govern the conduct of PC and its Supervised Persons in those situations where PC acts as an investment advisor as defined under the Advisers Act in providing investment advice to clients ("advisory clients").

Included herein are sections on:

1. A. Standard of Conduct and Compliance with Laws, Rules and Regulations
2. B. Protection of Material Non-Public Information
3. C. Personal Securities Trading
  1. Level 1 Access Person Requirements
  2. Level 1 (a) Access Persons - ETF Pre-Clearance Requirement
  3. Level 1(b) Access Persons Requirements
  4. Level 2 Access Persons Requirements
  5. Holdings Reports
  6. Transactions Reports (Account Statements)
  7. Review of Transactions
5. D. Compliance Certification
6. E. Consequences for Failure to Comply and Reporting Certain Conduct

## 7. F. Recordkeeping

### A. Standard of Conduct and Compliance with Laws, Rules and Regulations

All Supervised Persons are responsible for, and have agreed as a requirement of their employment or registration as an IAR, to review, be familiar with, and comply with this Advisor Code and the Compliance Manual.

Supervised Persons must comply with all of the laws, rules and regulations applicable to the business in which they engage, including among others, securities, banking and other federal, state and local laws. Although not expected to know the details of each law governing PC's business, each Supervised Person is expected to be familiar with and comply with the companywide policies and procedures, as they apply to his or her business unit and, when in doubt, to seek advice from supervisors, managers or other appropriate personnel.

### B. Protection of Material Non Public Information

Supervised Persons must review and comply with the Inside Information and Confidentiality of Information sections of the Compliance Manual chapters: "Inside Information & Information Barriers" and "Protecting Firm Information & Information Security Requirements". It is unlawful to trade in any security on the basis of material nonpublic (or inside) information or to disclose such information to others who may profit from it. This applies to all types of securities, including equities, options, debt, and mutual funds.

### C. Personal Securities Trading, Pre-Approval & Disclosure Requirements

Rule 204A-1 of the Advisers Act requires all "Access Persons" of an investment advisor registered with the SEC to report, and the investment advisor to review, their personal securities transactions and holdings periodically. The Advisers Act defines "Access Person" to mean any supervised person of an investment advisor who (1) has access to nonpublic information regarding any advisory clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund (i.e., any mutual fund advised by an affiliate of PC), or (2) is involved in making securities recommendations to advisory clients in advisory accounts, or who has access to such recommendations that are nonpublic.

The "Employee Securities Accounts & Investments" chapter of this Compliance Manual details employee securities account disclosure obligations and in-house requirements for all employees, including but not limited to prohibitions regarding trading in IPOs and private placements. In addition to the policies outlined in the chapter, PC Access Persons are prohibited from using non public information regarding portfolio holdings, model changes, or client transactions for their personal benefit. Specifically, Access Persons are prohibited from using advance knowledge to trade ahead of or otherwise benefit from such knowledge.

The Investment Advisor Chief Executive Officer or designee maintains a list of each level of PC Access Persons and will promptly notify any new Access Person of their responsibilities under the Advisor Code.

## **1. Level 1 Access Person Requirements**

Level 1 Access Persons are identified as either Level 1(a) or Level 1(b).

Once identified, each Level 1 Access Person must disclose Holdings Reports and Transaction Reports for any account held in which they have a direct or indirect beneficial ownership and through which mutual funds and/or ETFs can be purchased, sold or held. This includes any mutual fund account held directly with the fund company.

Level 1(a) Access Persons are those individuals who have access to information concerning pending SMP client trades (model changes) or pending SMP investment decisions for both SMP Mutual Funds and SMP-ETF portfolios.

Level 1(b) Access Persons are those individuals who have access to information concerning pending SMP-Mutual Fund client trades (model changes) or pending mutual fund investment decisions only.

## **2. Holdings Reports**

This report must be submitted to the Investment Advisor Chief Executive Officer or designee:

- no later than 10 days after the person becomes an Access Person, and the information must be current as of a date no more than 45 days prior to the date the person becomes an Access Person; and
- thereafter, no later than the end of the first calendar quarter every year.

The report must reflect current holdings, and at a minimum include:

- the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares, and principal amount of each mutual fund and ETF;
- the name of any firm in which any mutual funds or ETFs are held; and
- the date the Access Person submits the report.

## **3. Transaction Reports (Account Statements)**

This report must be submitted to the Investment Advisor Chief Executive Officer or designee no later than 30 days after the end of each calendar quarter.

Monthly or quarterly account statements can be used to satisfy the Transaction Report disclosure requirements, provided the account statement(s) includes all transactions effected during the period and includes, at a minimum, all of the following:

- the date of each transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, number of shares and principal amount of each mutual fund and/or ETF involved;
- the nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);
- the price at which each mutual fund and ETF transaction was effected; and

- the name of the firm through which the transaction was effected.

#### **4. Review of Transactions**

The Compliance Department will review personal securities transactions and holdings of all access persons periodically, but no less than quarterly.

##### **D. Compliance Certification**

The Compliance Department will provide each Supervised Person with a copy of this Advisor Code and any material amendments, and all Supervised Persons are required to provide Compliance with a written acknowledgment of their receipt of the Advisor Code and any amendments.

In addition, all Access Persons must certify each quarter that they have disclosed all outside applicable investment accounts, and whether any transaction was executed in those accounts.

##### **E. Consequences for Failure to Comply and Reporting Certain Conduct**

A Supervised Person can be subject to discipline, up to and including termination of employment, (or in instances involving franchisees, termination of the franchise agreement) if he or she violates this Advisor Code. *(IBLs and their employees who violate this Code may be subject to recourse by PC, up to and including termination of the Franchise Agreement (FA).)* Any Supervised Person who knows of, or reasonably believe there is, a violation of applicable laws or this Advisor Code, must report that information immediately to the Corporate Responsibility Officer or the Ombudsperson. A Supervised Person should not conduct preliminary investigations, unless authorized to do so by the Compliance Department. Anyone who in good faith raises an issue regarding a possible violation of law, regulation or company policy or any suspected illegal or unethical behavior will be protected from retaliation. If you have violated this Code, however, making a report will not protect you from the consequences of your actions. You can be subject to discipline up to and including termination of employment, or termination of your franchise agreement, if you violate this Code or fail to report violations that come to your attention.

##### **F. Recordkeeping**

Rule 204-2(a) (12) and (13) of the Advisers Act requires advisors to keep copies of all relevant material relating to the Advisor Code.

## **9. Brokerage Practices**

Perpetuum Capital does not require their clients to direct brokerage, as we do not hold any clients funds we do not recommend where to execute deals.

## **10. Review of Accounts**

We are reviewing on a periodical (2x per month) basis client accounts and financial plans.

Nature of review holds performance benchmarking and performance review. The person conducting the review is the CEO, Karoly Aczel. The review will be a written report send to the clients.

## **11. Client Referrals and Other Compensation**

Perpetuum Capital does not rely in referrals and therefore this section does not apply.

## **12. Custody**

Perpetuum Capital has no custody of client funds, and no account statements will be send from Perpetuum Capital to clients.

## **13. Investment Discretion**

Perpetuum Capital does not accept disrectionary authority from its clients.

## **14. Voting Client Securities**

Does not apply, as we have no custody or any securities in the name of clients. Clients will receive their proxies or other solicitations directly from their custodian.

## **15. Financial Information**

No prepayments are necessary with Perpetuum Capital.