

Item 1 – Cover Page

DISCLOSURE BROCHURE FORM ADV PART 2A

Pitts Bay Investment Management Inc.
Wellesley House South
90 Pitts Bay Road
Pembroke HM08
+1 441 292 4406
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This brochure ("**Brochure**") provides information about the qualifications and business practices of Pitts Bay Investment Management Inc. ("**Pitts Bay**"). If you have any questions about the contents of this Brochure, please contact Liberatore Iannarone at +1 441 294 4406 or lee.iannarone@partnerre.com.

Pitts Bay is registered as an investment adviser with the United States Securities and Exchange Commission (the "**SEC**") under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Registration as an investment adviser does not imply a certain level of skill or training. In addition, neither the SEC nor any state securities authority has approved or verified the information in this Brochure.

Additional information about Pitts Bay is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

Since our last annual update, filed on March 29, 2018, Pitts Bay filed two other-than-annual amendments: one to reflect a changes in its executive officers and the other to provide an update related to the issuance of the external auditor's opinion. In this filing certain material changes include: Mercalli Investment Management Inc. was rebranded to Pitts Bay Investment Management Inc., the investment mandate has changed significantly and the principal place of business has changed to Bermuda. Pitts Bay encourages all recipients of this Brochure to read it carefully in its entirety.

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Item 4: Advisory Business

- A. Description of Pitts Bay. Pitts Bay is an investment management firm incorporated in Delaware in January 2014 that previously operated under the name Mercalli Investment Management Inc. and prior to that under the name Beaufort Investment Management Inc.

Pitts Bay is an indirect, wholly owned subsidiary of PartnerRe Ltd., a holding company of a group of reinsurance companies (together with its affiliates and subsidiaries, “**PartnerRe**”), whose preferred shares are publicly listed on the New York Stock Exchange (NYSE: PRE). The majority of the common shares of PartnerRe Ltd. (greater than 99.0%) are indirectly wholly owned by EXOR N.V. (“EXOR”), a European investment holding company publicly listed on the Borsa Italiana stock exchange (BIT: EXO IM) and indirectly controlled by John Elkann through Dicembre s.s.

Pitts Bay currently acts as the sponsor and investment manager of an offshore private investment fund, PartnerRe ILS Bermuda Feeder Fund Ltd. (the “**Offshore Feeder Fund**”) and the sponsor and investment manager of an onshore private investment fund, PartnerRe ILS Feeder Fund LLC (the “**Onshore Feeder Fund**”). The Offshore Feeder Fund and the Onshore Feeder Fund invest exclusively through a wholly-owned master trading vehicle, PartnerRe ILS Master Fund Ltd., whose investment manager is also Pitts Bay (the “**Master Fund**”). The Offshore Feeder Fund, the Onshore Feeder Fund and the Master Fund are referred to collectively as the “**Funds**” and individually as a “**Fund**”.

Shares of the Funds are offered only to:

- (i) Non-U.S. Persons who are “qualified participants,” as defined in the Bermuda Investment Funds Act 2006 (the “**Bermuda Funds Act**”); or
- (ii) U.S. Persons who are “qualified purchasers” as defined in the U.S. Investment Company Act of 1940, as amended (the “**Company Act**”), “accredited investors” as defined in Regulation D under the U.S. Securities Act of 1933, as amended, or “qualified participants” under the Bermuda Funds Act,

in each case who are knowledgeable and experienced in financial and business matters such that they are capable of evaluating the merits and risks of an investment in the Funds.

- B. Advisory Services Offered. Pitts Bay specializes in providing investment advisory services to its clients relating to portfolios of insurance securities. Pitts Bay focuses on the following type of insurance securities:

- Shares in segregated accounts of special purpose insurers including but not limited to Lorenz Re Ltd. ("Lorenz")(an affiliate of Partner Reinsurance Company Ltd. as further described below).

The Fund does not carry out insurance or reinsurance business within Bermuda; it makes investments in a special purpose vehicle that does this, Lorenz. The Funds' assets will be invested in Lorenz, acting in respect of a particular segregated account. The segregated account or sidecar will offer a limited number of qualified investors, including the Fund, the opportunity to participate, through a Quota Share Agreement, in a portfolio of proportional and non-proportional property catastrophe reinsurance contracts in force at a particular date and ceded by Partner Reinsurance Company Ltd. and certain of its reinsurance company affiliates.

- C. Tailored Services. Pitts Bay does not tailor its advisory services to the individual needs of investors (although it does tailor its advisory services to meet the investment mandates of its Funds, as described in the Funds' offering documents and related investment management agreements). Investors in the Funds may not restrict investments by the Funds in any capacity. The Funds may, however, enter into side letter agreements with certain investors that provide for more favorable investment terms to those investors. Such terms may include (i) the waiver, reduction or rebate of management and/or incentive fees, (ii) preferential transfer or liquidity rights, additional withdrawal dates and waived or reduced withdrawal notice periods or holdback periods for withdrawal proceeds, (iii) the commitment to permit future investments in such Fund by such investors when the Fund is otherwise closed to new or additional investments and/or (iv) undertakings designed to protect an investor from violating an applicable statute or administrative regulation. The Funds will enter into Side Letters only if and to the extent they are consistent, and implemented in accordance, with the governing documents of each Fund and the fiduciary duties owed to the Funds and their investors. Furthermore nothing will prevent PartnerRe or Pitts Bay from assisting in the establishment of, or in the case of Pitts Bay from advising, multiple third party capital vehicles which may invest in similar risks.
- D. Client Assets Pitts Bay Manages. As of September 26, 2018, Pitts Bay manages, on a discretionary basis, approximately \$111,000,000 of assets owned by an affiliated reinsurance company.

Item 5: Fees and Compensation

- A. Pitts Bay's Fees and Compensation. Pitts Bay is compensated for the services it performs through a management fee, as described below. Management fees may be subject to negotiation in the Adviser's discretion. The specific management fee rates and method of calculation and payment are set forth in the applicable Fund's offering documents and related

governing documents. Certain affiliates of Pitts Bay may also receive underwriting fees and commissions which are set as a percentage of the premium in relation to a reinsurance transaction entered into for the Fund's benefit. Please see Item 10 for additional information. Pitts Bay reserves the right to waive or reduce management fees with respect to any investor, including its principals, employees and affiliates as may be determined in Pitts Bay's sole discretion from time to time. In general, investments by principals and employees of Pitts Bay or their respective affiliates will not be subject to management fees.

- Management Fee. Pitts Bay receives a quarterly management fee, paid in arrears, from the Master Fund equal to a percentage of each investor's commitment during the relevant risk period as defined in the Fund's offering documents. The management fee is equal to 0.20% of each investor's commitment.
- B. Deductions. Management fees are charged on a quarterly basis, paid in arrears. The entire Management Fee is reserved by the Fund (as further described in the offering documents).
- Expenses. The Investment Manager bears the Fund's organizational, offering and operating expenses, other than any taxes payable by the Fund and any extraordinary expenses (such as litigation costs or indemnification expenses) of the Fund, which shall be borne by the Fund. The Investment Manager also bears its own operating expenses, including salaries, rent and other general and administrative expenses.
- C. See Item 12 (Brokerage) for further information about Pitts Bay's use of brokers.
- D. Compensation for Sales of Securities: Pitts Bay does not accept compensation for the sale of securities or other investment products.

The specific management fee rates and method of calculation and payment are set forth in the applicable Fund's Offering Memorandum and other applicable governing documents. The information contained herein is a summary only and is qualified in all respects by such documents.

Item 6: Performance Based Fees and Side-by-Side Management

As discussed in Item 5, Pitts Bay does not receive performance based fees.

Item 7: Types of Clients

Pitts Bay provides investment advice primarily to clients that are privately offered pooled investment vehicles open for investment by sophisticated institutional and high net worth

investors, as described in this Brochure. Investors will be required to satisfy certain minimum regulatory suitability requirements and to make the minimum investment, generally \$1,000,000, required for the particular Fund. See Item 4 – Advisory Services, above.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

- A. Methods of Analysis and Investment Strategies. Pitts Bay's strategy is to provide investors with returns that are not significantly correlated to the traditional financial markets by investing in Lorenz, acting in respect to a particular segregated account. Pitts Bay advises its Funds regarding the insurance securities in which they will invest and on what terms pursuant to the investment objectives and strategies employed by that particular Fund. Investors should be aware that investing in securities involves risk of loss that they should be prepared to bear.
- B. Risk of Loss. The purchase of shares or interests in a Fund involves a number of significant risks and other important factors relating, in general, to general business conditions and investments in pooled investment vehicles and, in particular, to the structure and investment objectives of that Fund. Accordingly, investors should carefully consider the following risks, among others that are disclosed in the Funds' offering documents:
- Reliance on Pitts Bay and its Personnel. Pitts Bay will make all decisions with respect to the investment and trading activities of the Funds and investors will not have the opportunity to evaluate fully for themselves the relevant economic, financial and other information regarding the Funds' investments. There can be no assurance that Pitts Bay will be successful. The death, disability or cessation of employment of any of Pitts Bay's key personnel could have a material adverse effect on the investment performance of Pitts Bay's Fund clients.
 - Restricted Liquidity and Limited Transferability of Fund Interests. Investors are not able to redeem or withdraw their shares in a Fund as the Funds are closed-ended. There is no market for Fund shares or interests and investors are not permitted to assign or transfer their Fund shares or interests without Pitts Bay's consent, which it may withhold.
 - Lack of Diversification. The Funds' assets will be invested in Lorenz, acting in respect of a particular segregated account. The segregated account or Sidecar will offer a limited number of qualified investors, including the Fund, the opportunity to participate, through a Quota Share Agreement, in a portfolio of proportional and non-proportional property catastrophe reinsurance contracts in force at a

particular date and ceded by Partner Reinsurance Company Ltd. and certain of its reinsurance company affiliates.

- Absence of Regulation. The Funds are privately offered pooled investment vehicles that do not have the regulatory protections afforded to U.S.-registered investment companies or other similar vehicles. The Funds' shares or interests are not registered for sale to the public in the United States or in any jurisdiction.
 - Conflicts of Interest. Pitts Bay is subject to various conflicts of interest in its relationship with the Funds. Pitts Bay may manage different fund accounts with similar or different investment objectives, strategies and guidelines, which may compete with the Funds and present conflicts in the allocation of investment opportunities.
- C. Specific Risks of Loss. There are various material risks that are attendant to insurance securities which investors should be aware. Certain of these risks are set out below. For a more complete statement of the risks related to the Funds' investments, please refer to the applicable offering documents for such Fund.
- Risk of Loss Due to Catastrophic Events. The Fund will invest in insurance securities, the value of which are derived from the occurrence of fortuitous events. Such insurance securities, may be subject to the risk of loss or reduction of principal and/or interest due to the occurrence of catastrophic or other events. Accordingly, such insurance securities are speculative, and the Fund could lose all or part of the principal or interest, or an amount in excess of any premium collected, if any, with respect to such insurance securities upon the occurrence of a catastrophe or other event.
 - Unpredictability of Risk. The value of insurance securities rely on the occurrence or non-occurrence of catastrophic or other events. Such events are difficult to predict or model, and thus the valuation of insurance securities may be difficult to determine. While Pitts Bay will make assessments regarding the expected investment return on insurance securities, because of the unpredictability of the catastrophic or other events upon which investment return may be based, there can be no assurance that the investment return provided will be adequate to compensate the Funds for the risk borne thereby.
 - Counterparty Default Risk. The Fund may invest in various forms of over-the-counter securities. Over the counter securities are not traded on an exchange or

subject to direct government regulation. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

- Lack of Liquidity in Markets and Instruments. The markets for many of the Funds’ investments have limited liquidity, which could disadvantage the Funds, both in the realization of the prices that are quoted and in the execution of orders at desired prices. Many of the securities that the Funds invest in limit transfers to certain qualified counterparties and further lack liquidity because of other restrictions – based on securities laws and otherwise -- that may be set forth in the terms of the security. Many of such securities do not have an established market; therefore, resale of such securities may be difficult or impossible.

The foregoing is only a brief summary of certain risks relating to the Funds and their investments. Prospective investors are urged to review the applicable Fund’s Offering Memorandum and other governing documents for more detailed statements of the material risks, conflicts of interest and terms of investment in the Fund. There can be no guarantee that Pitts Bay’s investment recommendations will be successful or that a client Fund’s investment objectives will be achieved.

Item 9: Disciplinary Information

Neither Pitts Bay nor any of its officers, directors, employees or other management persons or affiliates have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this item.

Item 10: Other Financial Industry Activities and Affiliations

- A. Futures Commission Merchant, Commodity Pool Operator, and Commodity Pool Trading Advisor: Neither Pitts Bay nor any of its management persons is registered, nor has any application pending to register, as a futures commission merchant, a commodity trading advisor or commodity pool trading advisor. Pitt’s Bay is exempt from registration as a

commodity trading advisor pursuant to the U.S. Commodity Futures Trading Commission (the “CFTC”) Regulation 4.14 and is exempt from registration as a commodity pool operator pursuant to CFTC Regulation 4.13(a)(3).

B. Relationships or Arrangements with Related Persons.

Insurance Company or Agency. An affiliate of Pitts Bay formed Lorenz, a Bermuda exempted company licensed as a special purpose insurer under the Bermuda Insurance Act 1978 and related rules and regulations, as amended (the “**Insurance Act**”) and registered as a segregated accounts company under the Bermuda Segregated Account Companies Act 2000 (the “**Segregated Companies Act**”). Lorenz will receive an underwriting fee, profit commission and a flat upfront fee prorated amongst investors to cover certain expenses. As described in Item 4.B, Pitts Bay will invest client assets in preferred shares of special purpose insurers, including but not limited to segregated accounts of Lorenz, to provide collateralized reinsurance to, among others, affiliates of Pitts Bay.

Shared Personnel. Certain officers and employees of Pitts Bay are also employed by, or perform services for, PartnerRe. In the course of their activities on behalf of PartnerRe, shared personnel may become privy to information regarding assets, liabilities, or other information regarding PartnerRe that could impact the valuation of Fund holdings related to PartnerRe reinsurance obligations. However, consistent with policies and procedures adopted by PartnerRe and Pitts Bay to prevent insider trading and restricting the sharing of proprietary information, such shared personnel are prohibited from sharing, disclosing, or acting on such information.

Back Office Services. Pitts Bay has entered into an intercompany agreement with its affiliate, PartnerRe Asset Management Corporation (“**PAMC**”), pursuant to which PAMC has agreed to assist Pitts Bay with certain back-office and support functions, including, among others, compliance support, administrative services, and trading support.

Pitts Bay does not believe that any of its relationships with the affiliated entities described above create a material conflict of interest. First, it has disclosed the possible conflicts to the Funds and to all potential investors in the Funds in the Funds’ offering materials. Second, Pitts Bay believes that it and the Funds and the Funds’ investors receive substantial benefit from its relationships with Lorenz, PAMC, and PartnerRe more generally. However, the use of such affiliated service providers creates certain conflicts of interest and may result, among other things, in the Fund paying higher fees that it might pay to unaffiliated service providers. Pursuant to Pitts Bay’s policies and procedures, and the terms of the Funds’ organizational and offering documents, any material conflicts that

may arise will be resolved by conflicts advisory representatives, as described in Item 11B below.

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

- A. Description of Code of Ethics. Pitts Bay has adopted a Code of Ethics pursuant to the SEC's rules under the Advisers Act (the "**Code of Ethics**"). The Code of Ethics describes Pitts Bay's high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. In general, under its Code of Ethics and applicable law, Pitts Bay must make full and fair disclosure to its clients of all material facts and is required to place the interests of its clients first, and to avoid activities, interests and arrangements that might interfere or appear to interfere with making investment decisions in the best interests of its clients.

All of Pitts Bay's supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

Pitts Bay's current and prospective clients and investors may request a copy of the Code of Ethics by contacting Liberatore Iannarone at +1 441 294 4406 or lee.iannarone@partnerre.com.

- B. Material Financial Interests in Transactions. If appropriate, each investor in the Fund will consent to representation by one or more conflicts advisory representatives (each, a "**CAR**"). The CARs will provide a mechanism for obtaining, in appropriate cases, the informed consent of the Fund and the investors (with a CAR serving as both the representative and the agent of the investors), which Mercalli believes necessary or advisable in the context of a specific transaction. A CAR will be an independent professional capable of reviewing transactions on behalf of the Funds and the investors and determining whether to approve or reject them for the Funds.

Each CAR may be entitled to reimbursement of expenses, compensation and indemnification (exclusive of his or her own gross negligence or willful misconduct) from the Funds.

Any proposed transactions that a CAR may be asked to review may involve conflicts of interest that are material, including, but not limited to "principal transactions," if any, including transactions subject to Section 206(3) of the Advisers Act. The CAR may also be asked to review the material terms of other transactions with affiliates. In reviewing such transactions, a CAR will consider factors that he or she deems appropriate under the circumstances.

Mercalli will notify investors in advance, where reasonably practical, of the use of the CAR as a mechanism for obtaining the informed consent of the Funds and the investors.

- C. Investments in Same Securities. No Pitts Bay officer, director or employee may buy, sell, hold or otherwise transact in any security or investment instrument in which such officer, director or employee causes, or potentially may cause, a Fund to trade.

Pitts Bay officers, directors, employees and affiliates may invest in the Funds as investors, and such investments may be significant from time to time. Such investments may be the same terms offered to investors generally, or may be on different terms, in Pitts Bay's discretion. Such personal investments may create an incentive for Pitts Bay to manage a Fund account differently than it would absent such personal investments. Pitts Bay will, however, endeavor to act only in the best interests of its client accounts in the management of such accounts.

Item 12: Brokerage Practices

- A. Factors Pitts Bay Considers in Selecting Broker Dealers for Client Transactions.

1. Research and Other Soft Dollar Benefits. Generally investments made by the Funds are insurance securities. Such investments are entered into with counterparties or issuers as principal opposite the Fund, where no "commissions" or transaction-based fees are charged to the Fund. To the extent Pitts Bay causes the Fund to purchase or sell a security or other security through a broker on an agency basis, Pitts Bay has the discretion to consider the value of products, research or services provided to Pitts Bay by the broker consistent with the "safe harbor" for fiduciaries' use of "soft dollar" arrangements pursuant to Section 28(e) of the United States Securities Exchange Act of 1934, as amended, to the extent applicable. As of the date of this Brochure, Pitts Bay does not contemplate entering into any "soft dollar" arrangements with its brokers. Furthermore an affiliate of Pitts Bay may engage brokers or dealers. Such affiliate has complete authority to determine what brokers or dealers to use and the terms on which they use them.
2. Brokerage for Client Referrals. Pitts Bay does not consider whether it or its related persons will receive investor referrals from a broker-dealer or third party when selecting or recommending broker-dealers.
3. Directed Brokerage. Pitts Bay does not utilize directed brokerage arrangements.

- B. Aggregation of Trades. Pitts Bay has the discretion to aggregate orders for the same securities or other investment instruments on behalf of multiple clients in one order where it is in the best interests of the Funds to do so. Pitts Bay generally will seek to do so in instances where it believes that aggregating is in the best interest of all participating clients, practicable, administratively efficient and cost efficient. Pitts Bay will seek to allocate such executed transactions among the Funds in a fair and equitable manner, taking into any relevant factors such as account size, applicable investment objectives, investment guidelines and investment restrictions. Pitts Bay is under no duty to aggregate orders, however, and in many instances it may not be practicable to do so, given the nature of the securities that Pitts Bay trades for its client accounts.

Item 13: Review of Accounts

- A. Periodic Review. Pitts Bay's key principals review the performance of the Funds periodically.
- B. Triggered Review. Pitts Bay's key principals engage in more frequent reviews of the Funds on an as-needed basis as circumstance warrant.
- C. Content and Frequency of Reports. Except as otherwise specified in the Funds' governing documents or any related investor-specific side letters, each investor in a Fund receives (i) a monthly unaudited statement of the net asset value of its investment in the Fund in which the investor is invested, (ii) an annual audited financial statement of such Fund; and (iii) annual tax-related information regarding the investor's investment in the Fund (if applicable).

Item 14: Client Referrals and Other Compensation

- A. Other Compensation. Pitts Bay does not receive any compensation or other economic benefit for providing investment advice or other advisory services from persons who are not its clients or investors in a Fund.
- B. Client Referrals. Pitts Bay does not generally compensate third parties for investor referrals, except for any placement agents retained in connection with any offering, for which it will pay any related placement agent fees.

Item 15: Custody

Pitts Bay generally will be deemed to have custody of client funds and securities pursuant to the SEC's rules under the Advisers Act and in such case, will comply with applicable custody-related rules and requirements. In particular, as an alternative to requiring the Funds' qualified custodians to deliver investors quarterly account statements showing the investments of the

Fund (among other requirements), Pitts Bay expects to deliver audited financial statements of each Fund to Fund investors within 120-days after the end of such Fund's fiscal year. Investors should carefully review the audited financial statements and other reports they receive from Pitts Bay or the Funds.

Item 16: Investment Discretion

Pitts Bay receives discretionary authority from each client and Fund at the outset of its advisory relationship. Based on that authority and pursuant to the terms of the governing documents of the Fund, Pitts Bay buys and sells securities on behalf of that Fund. In all cases, however, Pitts Bay exercises such discretion in a manner consistent with the stated investment objectives, strategies and guidelines of the particular Fund. When selecting securities and determining amounts, Pitts Bay observes the investment policies, limitations and restrictions of the clients and Funds it advises. Any material investment guidelines and restrictions will be disclosed to the Fund's investors in the Fund's offering documents or otherwise in writing.

Item 17: Voting Client Securities

Given the nature of Pitts Bay's investment activities on behalf of its Fund clients, Pitts Bay does not anticipate that the Funds will hold voting securities. Nonetheless, Pitts Bay has adopted proxy voting policies and procedures as required by SEC rules, and should Pitts Bay receive a proxy, it will vote it in a manner that it, in good faith, determines is consistent with its duty to maximize the value of the investments it manages.

A record of all proxy decisions will be retained by Pitts Bay and is available for inspection by Funds and investors. For information regarding Pitts Bay's proxy voting record or for a copy of its proxy voting policies and procedures, please contact Liberatore Iannarone at +1 441 294 4406 or lee.iannarone@partnerre.com.

Item 18: Financial Information

Pitts Bay is not required to attach a balance sheet to this Brochure because it does not solicit fees more than six months in advance. Pitts Bay does not have a financial condition that is likely to impair its ability to meet contractual commitments to the Funds. Pitts Bay has not been subject to any bankruptcy proceeding during the past 10 years.