

Pretium Management LLC

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This brochure provides information about the qualifications and business practices of Pretium Management LLC. If you have any questions about the contents of this brochure, please contact us at 212-808-5240 and/or compliance@pretiummanagement.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 Pretium Management LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Material changes since Pretium Management LLC's last Form ADV filing dated February 15, 2018 include:

On July 11, 2018, Pretium Management LLC filed for state registration in New York, approval is pending. Upon approval of state registration, Pretium Management will be withdrawing registration with the Securities and Exchange Commission (SEC).

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Item 4: Advisory Business

Pretium Management LLC (“the Firm” or “Pretium” or “We”) was founded in July 2017 and is majority owned by Jaliack Consulting, LLC of which John Regan is the managing member.

Pretium Management is an investment adviser and intends to provide investment management services to its clients solely through Separately Managed Accounts that invest in the securities which are included in the family of indexes offered by BRI Partners. Pretium will discuss and review the investment guidelines and based on this information, will recommend that your assets be invested in securities that parallel with one of the BRI Indexes.

Pretium has entered into an agreement with BRI Partners. As a result of the agreement, Pretium is licensed to distribute the intellectual property underlying the family of indexes that BRI Partners has created. BRI Partners, which is not affiliated with Pretium, provides a series of traditional indexes and alternative indexes that are designed to deliver both market beta and enhanced factor beta. BRI Partners is not an investment advisor and it is not possible to invest directly in a BRI Index.

Pretium plans to offer discretionary investment advisory services. The Firm recognizes that each client presents a unique set of circumstances and therefore services are tailored to match the particular needs of each client.

Pretium will not sponsor or manage a wrap fee program.

The Firm currently has no assets under management.

Item 5: Fees and Compensation

Investment Advisory Fees:

Investment Advisory Fees are specified in an Investment Advisory Agreement between the Pretium and the client. Investment Advisory Fees are paid monthly in arrears and are based on a percentage of the market value of assets under management at the end of each calendar quarter. The maximum fee is equal to 1.50% per annum for a client’s assets under management. Fees may be negotiated on a case by case basis at the sole discretion of Pretium and may differ in rate or other terms versus standard fees described above. Clients may select to deduct fees from client accounts (direct debiting) or pay fees directly.

Direct debiting - If a client chooses this option, for each billing period, the client’s custodian will be notified of the amount of the management fee due and payable to Pretium based on our fee schedule and contract. The custodian will deduct the fee from the account(s) or, if the client

has more than one account, from the account designated to pay the advisory fees. The custodian does not validate or check the fee or its calculation on the assets on which the fee is based. If clients choose this method, generally they must provide written authorization to the custodian permitting our management fee to be paid directly from the account(s). Clients should ensure that they are receiving a periodic statement directly from their custodian that shows all transactions, positions and credits/debits into or from their account(s), including the advisory fee paid by the client to us.

Other fees:

Pretium has the ability to sub-license the intellectual property underlying the family of indexes that BRI Partners has created directly to other financial services firms such as broker-dealers and investment advisors. Pretium will receive a sub-license fee from the financial services firm in these instances. While there are currently no such arrangements in place, Pretium may also be paid an introduction fee by BRI Partners in instances where the financial services firm will enter into a contract directly with BRI Partners. [These fees are negotiable and will not exceed the in investment advisory fee stated above.](#)

Custodian Fees: In addition to advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction and brokerage charges imposed by a broker dealer. The Firm will not receive any of these commissions, fees and costs. Further information about brokerage practices are disclosed in Item 12.

Termination of Advisory Services Generally, a client may terminate an investment management agreement upon 30 days written notice unless otherwise mutually agreed upon. Upon termination, unpaid fees will be due and payable at the time the account is closed.

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

Pretium will not charge performance-based fees.

Item 7: Types of Clients

Pretium anticipates that investment management clients may include high net worth individuals, banking and thrift institutions, investment companies, pension and profit sharing plans, state/municipal government entities, insurance companies, corporations, other investment advisors, family offices, sovereign wealth funds and foreign financial institutions.

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

Investment Strategy and Methods of Analysis: For clients, the Firm's investment process begins by working with the client to identify investment goals and objectives, risk tolerance, financial situation and other factors. Based on our understanding of the client, combined with our assessment of financial market conditions, the Firm will recommend that the client invest in

the same securities as represented in one of the BRI Indexes. When BRI Partners removes or adds securities to an index, trades will be affected in the client's account to reflect those additions/removals. The indexes will be rebalanced periodically, and the client's account will be rebalanced as well.

Risks: Investing in securities involves a risk of loss that the client should be prepared to bear. All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized. Stock, bond and other financial markets fluctuate substantially over time. In addition, the performance of any investment is not guaranteed. The risks associated with stocks, bonds and other financial instruments include but are not limited to those described below.

- **Market Risk:** The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- **Allocation Risk:** The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- **Foreign (Non-U.S.) Risk:** A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- **Foreign (Non-U.S.) Currency Risk** - Investments in non-U.S. based assets are subject to additional changes in valuation due to changes in currency exchange rates.
- **Emerging Market Risk** - The risk of foreign investments typically is greater in emerging and less developed markets.
- **Concentration Risk** – A concentrated investment strategy may invest a large portion of its net assets in a small number of issuers, in a particular industry, sector or geographic region, or may use a specific investment style. A relatively high concentration of assets in or exposure to a single issuer, or a small number of issuers, may reduce the diversification of an account managed in this strategy. The returns and net asset value of a portfolio with such positions may be more greatly impacted by increases or decreases in the value of a single security held in the portfolio. Issuer concentration may

also decrease the liquidity in an account if there is a shortage of buyers willing to purchase those securities held in the account. An investment strategy may concentrate on a style or sectors either to provide investors with more certainty about how the portfolio will be invested, or because the portfolio manager believes that specialization increases the potential for good returns. If companies in the particular style or sector face difficult economic times or if the investment approach used by the strategy is out of favor, the strategy may not perform as well as it would if it had diversified its investments or style. If an investment strategy's objectives require concentration, it may continue to suffer poor returns over a prolonged period of time.

- **Growth Investing Risk** - Since many growth stocks trade at a premium valuation, they tend to be much more susceptible to big price swings. In bull markets, growth stocks tend to rise at a much faster pace than the overall market, because investors grow increasingly comfortable with risk when times are good..
- **Small Companies Risk** - Small capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small companies may have limited product lines and financial resources.
- **Value Investing Risk** - One of the biggest risks in value investing lies in overpaying for a stock which means purchasing stocks at a price of around two-thirds or less of their intrinsic value. Value investors want to risk as little capital as possible in potentially overvalued assets, so they try not to overpay for investments.
- **Interest-rate Risk**: Changes in interest rates may result in fluctuations in the prices of other investment vehicles. For example, when interest rates rise, fixed income securities prices fall.
- **Technology Risk** – The risk that technology failures may disrupt business, or result in security incidences or service outages.
- **Derivative Risk** - If a client selects an investment strategy that uses derivatives, the account would be subject to additional risks. Derivatives may include futures, options, swaps, structured securities and other instruments that are derived from one or more underlying securities, benchmarks or currencies. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. Because many derivatives are leveraged, an adverse market movement can result in a loss exceeding the original amount invested. Derivatives may also expose investors to

liquidity risk and to counterparty risk. The counterparty risk depends on the creditworthiness of the other parties to the derivative contract.

Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.

Item 9: Disciplinary Information

Pretium has no legal or disciplinary events to report that would impact the evaluation by a potential client or investor.

Item 10: Other Financial Industry Activities and Affiliations

John Regan, is a registered representative of LPS Capital, an unaffiliated broker-dealer, but no business is conducted on behalf of the Firm in reliance upon that registration.

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

Pretium has adopted a Code of Ethics for all supervised persons of the Firm describing its high standards of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment items, personal securities trading, conflicts of interest, among other things. All supervised persons must acknowledge the terms of the Code initially upon hire as well as annually, or as amended.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory clients.

Employees may maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest is consistent with the Firm's personal trading guidelines and applicable regulatory requirements. All reportable transactions are reported to the Compliance Officer in accordance with the reporting requirements outlined in the Code and personal trading is monitored in order to reasonably prevent conflicts of interest between Pretium and its clients.

Employees will be allowed to trade in securities included in the indexes, employees will be required to pre-clear their personal trades. Related persons may buy or sell for themselves securities that they also recommend to advisory clients, after pre-clearance.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Item 12: Brokerage Practices

Clients generally select the broker-dealer and custodian for their accounts. However, the broker/dealer chosen by the client must be able to execute trades in securities that are included in the BRI Index chosen by the client. Additionally, the broker/dealer must have the ability to process electronic trading instructions provided by BRI Partners.

Pretium has a fiduciary duty to seek best execution for its clients under the circumstances. The Firm may recommend to clients the use of certain broker/dealers and custodians for services related to the execution and clearing of trades for client brokerage accounts. Clients that utilize one of these broker/dealers or custodians will have the rates for services/transactions determined by that broker/dealer or custodian. These rates are limited by, among other things, guidelines established by FINRA, and industry standards.

Soft Dollar: Pretium will not receive soft dollar benefits.

Brokerage for Client Referrals: Pretium will not recommend broker-dealers to clients based on its interest in receiving client referrals.

Directed Brokerage: Pretium will not require or permit clients to direct brokerage.

Item 13: Review of Accounts

Reviews: Clients who engage Pretium Management for ongoing financial advice will typically have periodic account reviews conducted by a Pretium investment adviser representative. These reviews generally include a review of the client's portfolio as well as an update on the client's financial situation. Client accounts may also be reviewed based on client requests, changes in market conditions or changes to client circumstances.

Reporting: Clients receive statements no less than quarterly from a qualified custodian detailing account holdings and activity.

Item 14: Client Referrals and Other Compensation

Pretium does not currently compensate third parties for client referrals. If Pretium enters into such an agreement, it will comply with applicable state regulations and requirements. Under such agreements, we will have authority to monitor the conduct of persons eligible to receive referral fees to ensure that they are making timely and proper disclosures to referred clients. Referred clients will also be required to acknowledge in writing that they have received required disclosures relating to the referral arrangement.

Pretium has the ability to sub-license the intellectual property underlying the family of indexes that BRI Partners has created directly to other financial services firms such as broker-dealers and investment advisors. Pretium will receive a sub-license fee from the financial services firm in these instances. While there are currently no such arrangements in place, Pretium may also be paid an

introduction fee by BRI Partners in instances where the financial services firm will enter into a contract directly with BRI Partners.

Item 15: Custody

Pretium will not accept or maintain physical possession of client cash and/or securities. Cash and securities will be maintained at a qualified custodian within the meaning of the Adviser's Act. However, Pretium shall have the ability to have its advisory fee for each client debited by the custodian on a monthly basis. Clients will receive account statements directly from a qualified custodian at least quarterly and should carefully review those statements. Pretium urges clients to compare the account statements received from the custodian with any reports they may receive from Pretium.

Item 16: Investment Discretion

Pretium will be given the authority to exercise discretion on behalf of clients. Pretium is considered to exercise investment discretion over a client's account if it can affect transactions for the client without first having to seek the client's consent. The Firm is given this authority through a power-of-attorney included in the agreement between Pretium and the client.

Pretium takes discretion over the following activities:

- The securities to be purchased or sold;
- The quantity of securities to be purchased or sold; and
- When transactions are made.

Item 17: Voting Client Securities

Pretium Management will not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Firm with any questions they have.

Item 18: Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about the firm's financial condition. Pretium Management does not require or solicit prepayment of fees more than six months in advance. Additionally, Pretium has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been subject to a bankruptcy proceeding.

Item 19: Requirements for State-Registered Advisers

A. Principal Executive Officers and Management Persons

Business background for John Regan, Managing Member, as named in Item 4 – Advisory has been included in the brochure supplement, Form ADV Part 2B which we provide to clients.

B. Other Business Activity

Mr. Regan is a registered representative of LPS Capital, an unaffiliated broker-dealer; no business is conducted on behalf of the Firm in reliance upon that registration.

Mr. Regan could receive compensation from LPS Capital in the form of Introduction Fees. Currently that is not the case, and no fees are being paid. Less than 5% of Mr. Regan's time is spent engaged in this activity.

C. Performance Based Fees

Pretium Management does not receive performance-based fees.

D. Legal and Disciplinary Events

Mr. Regan has not been the subject of any material legal or disciplinary events required to be disclosed in this Item.

E. Arrangements with Securities Issuers

There are currently no additional relationships other than those described in Item 10 - Other Financial Industry Activities and Affiliations.