

## **Plinth Capital LP**

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Plinth Capital LP. If you have any questions about the contents of this Brochure, please contact us by phone at (929) 387-3003 or by e-mail at [lisa.donohoe@plinthcap.com](mailto:lisa.donohoe@plinthcap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that Plinth Capital LP or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Plinth Capital LP is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

There are no material changes to report since September 13, 2019, the date of Plinth Capital LP's initial Brochure.

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**Item 4. Advisory Business**

Plinth Capital LP (“we,” “us,” or “our”) is a Delaware limited partnership that was formed in April 2019. We are principally owned by Johnny Wu and Philip Szewczyk (together, the “Principals”).

Following registration with the SEC, we intend to provide discretionary investment advice to the following private funds (collectively, the “Funds”): (i) Plinth ART Fund LP (the “Onshore Fund”), (ii) Plinth ART Fund Ltd. (the “Offshore Fund”), and (iii) Plinth ART Master Fund LP (the “Master Fund”). The Onshore Fund and the Offshore Fund will be feeder funds that invest through the Master Fund. We may also provide investment advice to additional private funds and separately managed accounts in the future. References throughout this document to “clients” refer to the Funds and any other private funds and separately managed accounts we may advise in the future.

The Funds will be managed in accordance with their own investment and trading objectives, as described in their respective offering documents and governing agreements. We do not permit investors in the Funds to impose limitations on the investment activities described in such documents. Under certain circumstances, we may contract with a separately managed account client to adhere to limited risk and/or operating guidelines imposed by that client. We would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion*.)

Plinth Capital GP LLC (“Plinth GP”) will serve as the general partner to the Onshore Fund and the Master Fund.

We do not participate in wrap fee programs.

We do not have regulatory assets under management, but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC. We do not expect to manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

Our fees and compensation will be described in the advisory contracts we enter into with the Funds, as well as in the Funds’ offering memoranda. All of our clients are expected to be “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

We expect to be paid management fees from the Funds monthly in advance. Once paid, the management fee will be non-refundable. We may waive or modify the management fee payable with respect to any investor without notice to or consent from any investor.

We or our affiliates will also receive performance-based allocations from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

The Funds will bear the reasonable costs and expenses incurred in connection with their formation and organization and their own operating expenses, including, without limitation: (i) the above-described management fees; (ii) indemnification expenses; (iii) commissions; (iv) clearing fees; (v) fees, interest and other costs associated with margin accounts or other financings or re-financings; (vi) any taxes and duties payable in any jurisdiction in connection with the operations of the Funds and vehicles through which they invest; (vii) accounting and legal fees and disbursements (including legal fees related to the acquisition, protection and distribution of the Funds’ investments); (viii) accounting, audit and tax

preparation expenses; (ix) fees of the Funds' third-party administrator (the "Administrator"); (x) investment-related expenses, including research, subscriptions, quotation services, order management and execution licenses and subscriptions and data feeds; (xi) borrowing charges on securities sold short; (xii) custodial fees; (xiii) bank service fees; (xiv) third-party servicing agents; (xv) broker-dealer expenses incurred in connection with: (a) transactions in recognition of investment research and information furnished, (b) services including execution of orders, (c) research and other services provided by such broker-dealers; (xvi) investment and trading consultant expenses; (xvii) expenses incurred for investment-related travel and entertainment expenses; (xviii) expenses incurred in connection with proposed transactions, including proposed transactions that fail to close; (xix) expenses related to reporting to and communicating with investors; (xx) liability insurance premiums with respect to us, Plinth GP, and its board of managers; (xxi) service fees of the independent directors and/or managers; (xxii) registered office expenses; and (xxiii) any other expenses related to the purchase, sale, holding or transmittal of the Funds' assets, liabilities or the Funds' business affairs.

We may also allocate a portion of certain clients' capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, clients will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

We or our affiliates are entitled to receive a performance allocation from the Funds on an annual basis in arrears and upon withdrawals by investors. Such performance allocation is based on the net capital appreciation of the Funds' assets and is subject to a loss-carryforward mechanism. We or our affiliates will have the right to waive or modify the performance allocation with respect to any investor without the consent of, or notice to, any investor.

Performance-based compensation arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement.

The Funds are our only anticipated clients and they expect to operate through a master-feeder structure. To the extent that we advise additional client accounts in the future, performance-based compensation arrangements could also create an incentive for us to favor accounts with higher compensation rates over other accounts when allocating investments. Accordingly, if we manage additional client accounts in the future, we will adopt and follow procedures designed and implemented to ensure that all clients are treated fairly and equitably.

In addition, because the Funds' management fees and performance-based compensation are generally based on the Funds' net asset values, we will have a conflict of interest in valuing the Funds' assets. To mitigate this conflict, we will follow our documented valuation policies and periodically consult with auditors and the Administrator.

#### **Item 7. Types of Clients**

Investors in the Funds are generally expected to be institutional investors, endowments, foundations, funds of private funds, high net worth individuals and family offices that qualify as "accredited investors"

(as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment in the Funds is generally \$5,000,000. We may waive such minimum under certain circumstances.

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

### *Methods of Analysis and Investment Strategies Generally*

#### Investment Objective and Strategy

The investment objective of the Funds is to deliver positive absolute returns in most market environments with low beta and correlation to broad-based equity markets, with a focus on capital preservation and limited drawdown.

The Funds will seek to achieve their objective by capitalizing on structural imbalances in derivatives which arise as a result of the activity of retail structured products buyers and other end users of derivatives. The Funds expect to employ three strategies: risk recycling trades, relative value trades and risk mitigation trades.

The acronym “ART” is derived from “Alternative Risk Transfer,” a common term used among investment banks to characterize risks accumulated from the sale of retail structured products offerings which the investment banks look to transfer to sophisticated hedge funds. Historically, investment banks have looked to partner with sophisticated institutional investors with active trading capabilities and expertise in trading volatility, correlation, interest rates and dividends (option greeks).

There can be no assurance that any Fund’s investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly and annual basis.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

#### Risk Factors

An investment in each Fund is speculative and involves a high degree of risk. There can be no assurance that the investment objectives of any Fund will be achieved or that an investment in a Fund will generate positive returns. The Funds will have substantial limitations on investors’ ability to withdraw or transfer their interests or shares, and no secondary market for the Funds’ interests or shares exists or is expected to develop. In managing the Funds, we intend to utilize various investment techniques, including trading in futures, over-the-counter derivatives and options, short sales, and trading on foreign exchanges. We may also incur leverage and purchase securities on margin. These techniques can, in certain circumstances, increase significantly the adverse consequences to which a Fund may be subject. All of these risks, and other important risks, will be described in detail in each Fund’s offering memorandum. Prospective investors are strongly urged to review the applicable offering memorandum or other governing documents carefully and consult with their own financial, legal and tax advisers before investing in a Fund.

**Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or our management.

**Item 10. Other Financial Industry Activities and Affiliations***CFTC/NFA Registration*

We plan to file an application to register as a commodity pool operator with the Commodity Futures Trading Commission ("CFTC") and to become a member of the National Futures Association. Johnny Wu plans to apply for registration with the CFTC as our Associated Person.

*Services by Certain Related Persons*

As noted above, Plinth GP will serve as the general partner to certain Funds.

**Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***Code of Ethics Overview*

We will adopt a Code of Ethics, which will be designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, our Code of Ethics will set forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our clients.

Among other things, our Code of Ethics will: (i) govern personal trading by our employees, (ii) contain our policies with respect to gifts and entertainment, (iii) contain our policies regarding certain outside activities of our employees, (iv) set forth our policies and procedures relating to insider trading, and (v) set forth the manner in which employees may report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

*Personal Trading Policy*

Employees must obtain written consent of our Chief Compliance Officer (the "CCO") before transacting in most securities in their personal accounts including private investments. Additionally, employees will be required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Our policies relating to personal trading will also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

*Participation or Interest in Client Transactions*

We will make available to qualified prospective investors the opportunity to invest in the Funds. In addition, we or our affiliates expect to receive performance-based allocations from one or more Funds.

We will not engage in any principal transactions unless we have determined that the transaction is in the relevant clients' best interests and have obtained client consent in accordance with our written procedures and applicable law.

**Item 12. Brokerage Practices***Selection of Brokers*

We will have an obligation to seek to obtain “best execution” for the Funds with respect to their trading activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. We will seek best execution with respect to all types of Fund transactions, taking into account various factors. Such factors include but are not limited to: pricing, expertise and abilities to perform execution services, ability to execute transactions in liquid and illiquid markets at competitive prices without disrupting the market for a particular security range of services provided and products offered (including research and brokerage services), quality and timeliness of market information provided, ability to maintain confidentiality, credit worthiness and financial responsibility.

In selecting brokers to execute transactions (or series of transactions) and determining the reasonableness of the brokers’ compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

The Funds may enter into bundled commission arrangements, pursuant to which the Funds pay commissions in amounts greater than it might otherwise pay for execution-only services to brokers or dealers who provide research and other services.

We will establish a Management Committee which will meet on a semi-annual basis to evaluate, among other things, the execution that we are receiving from brokers. In conducting our analysis, the committee may consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker that a family member is employed).

*Research and Other Soft Dollar Benefits*

We do not currently have any formal soft dollar arrangements with brokers. However, we expect to execute transactions on behalf of our clients with brokers that may provide us with access to bundled services, including access to proprietary research reports (such as standard investment research and credit reports) and invitations to attend conferences. To the best of our knowledge, these services are generally made available to all institutional investors doing business with such broker. If we engage in soft dollar transactions in the future, we intend to comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

*Brokerage for Client Referrals*

Subject to applicable law, we may direct client brokerage business to brokers that refer prospective investors to us. Because such referrals, if any, are likely to benefit us but may not provide a benefit to our clients, we would have a conflict of interest with our clients when allocating brokerage business to such brokers. To mitigate this potential conflict, we will not allocate brokerage business to a referring broker unless we determine that such allocation is consistent with our best execution duties.



*Trade Errors*

We may on occasion experience errors with respect to trades made on behalf of client accounts. We will not reimburse each client account for losses resulting from trade errors unless in accordance with the terms of the exculpation provision in such client's governing documents.

*Aggregation of Orders*

We will not aggregate trades while the Funds are our only clients, since they will operate through a single master-feeder structure.

**Item 13. Review of Accounts***Review of Accounts*

The Funds' portfolios are expected to be reviewed, and their performance analyzed, by our Principals on a continuous basis. In addition, our Principals will regularly review the Funds' portfolios to determine that the securities held by them remain consistent with their investment strategy, objectives and guidelines.

*Reporting*

We will furnish investors in the Funds with unaudited performance updates and unaudited account statements reporting the Funds' net asset value on a monthly basis. In addition, on an annual basis, we provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, we may provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including notifications of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

In addition, investors may be provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

**Item 14. Client Referrals and Other Compensation**

Other than the products and services that we receive from broker-dealers (described above in *Item 12*), we do not receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

We do not compensate any third-party marketers for introductions to potential investors or clients.

**Item 15. Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), we will be deemed to have custody over the Funds’ assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds’ audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) we deliver such annual audited financial statements to investors within 120 days after the end of each Fund’s fiscal year.

**Item 16. Investment Discretion**

We will have discretionary authority to manage securities and other investments on behalf of the Funds. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in their offering and governing documents. Under certain circumstances, we may contract with a separately managed account client to adhere to limited risk and/or operating guidelines imposed by the client. We would negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

To the extent that we trade in public securities for client accounts, we will generally have voting discretion over such securities. Clients are generally not able to direct their votes in a particular situation. We will adopt proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in the best interests of a particular client. We may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer’s views and recommendations on such proposal; (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders’ concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether we believe that the proposal will fairly compensate management for its and/or the issuer’s performance. If we deem that the issue being voted upon is not material for us and our clients, we will not be obligated to vote on such matter.

Upon the request by a client, we will disclose to such client how we voted proxies for securities owned by such client. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

**Item 18. Financial Information**

We are not required to include our balance sheet for our most recent fiscal year with this Form ADV Brochure.

**Item 19. Requirements for State-Registered Advisers**

We are not a state-registered adviser.