

**FORM ADV Uniform Application for Investment Adviser Registration
Part 2A: Investment Adviser Brochure**



Item 1: Cover Page
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Firm CRD#159788
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This brochure provides information about the qualifications and business practices of Petiole USA Limited. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.

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. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.

Additional information about the firm is also available on the SEC’s website at www.adviserinfo.sec.gov

Item 2: Material Changes

There have been no material changes since the Adviser's other than annual update filing of June 14, 2021.

Questions related to the firm or this Form may be addressed directly with firm personnel. Additional information about the firm is also available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

Petiole USA, established in 2010, provides non-discretionary investment supervisory services to Petiole Asset Management AG (“PAM”) in its capacity as sub-advisor. Petiole USA offers advisory services in three disciplines: private real estate, private equity investments and distressed financial institutions.

- **Real Assets** – The principal investment objective is to deliver attractive risk adjusted returns to investors through investments in real assets. The strategy is focused on assets with stable cash flow profiles and generally seeks to provide distributions. The program is opportunistic and seeks to be nimble based on changing market dynamics. Such opportunities will primarily be sourced through the Investment Team’s global network of relationships. This network includes alternative real estate investment managers, infrastructure funds, fund-of-funds, global investment banks, brokers, operating partners and entrepreneurs. The opportunity set is diverse and can include, but is not limited to, ports, toll roads, stadiums, parking lots, airports, pipelines, office properties, single and multi-family properties, industrial parks, and portfolios of the aforementioned categories.
- **Private Equity** - The investment objective of the Private Equity program is to identify and invest in attractive risk adjusted private equity investment opportunities. Such opportunities will primarily be sourced through the Investment Team’s global network of relationships. This network includes private equity managers, fund-of-funds, global investment banks, regional brokers, and entrepreneurs. The opportunity set is diverse and can include, but is not limited to, leveraged buyout transactions, management buyout transactions, infrastructure investments, brown field expansions, and merger financings.
- **Yielding Strategy** - The investment objective of the Yielding investment programs is to identify and invest in attractive risk adjusted opportunities that offer current cash yield. Such opportunities will primarily be sourced through the Investment Team’s global network of relationships. This network includes private equity managers, private debt managers, fund-of-funds, global investment banks, regional brokers, and entrepreneurs.
- **Distressed Financial Institutions** - Petiole USA searches for investments that can be bought at a price that reflects a significant discount to such investments’ fair value. Petiole USA will seek to achieve its objective by investing primarily in the common equity (both public and non-public) of U.S. and non-U.S. banks, thrifts, depository institutions, and non-bank financial services companies in bankruptcy or FDIC receivership.

Background: The parent firm, The Family Office Co. BSC(c) (“TFOCO”) was established in 2004 and since then has been acting as an independent investment advisor and asset manager serving the unique needs of families of significant wealth, high net worth families and institutions in the Arabian Gulf. TFOCO has significant experience in investing across a range of assets. TFOCO works with ultra-high net worth individuals and their families as well as institutions to structure and manage investment portfolios that seek to achieve the clients’ objectives in terms of risk, returns and liquidity.

TFOCO is an asset manager licensed as category 1 investment firm and is regulated by the Central Bank of Bahrain. Headquartered in Bahrain, TFOCO has affiliate offices in London (Petiole Management (UK) LLP), Hong Kong (Petiole Management (Hong Kong) Limited), Saudi Arabia (The Family Office International Investment Company) and New York (Petiole USA).

Effective October 1, 2019, PAM, a Zurich based asset manager, assumed the role of the sub-delegated investment manager to all the funds previously sub-advised by The Family Office Co. BSC (c). PAM was established in 2019 to operate as an independent asset manager of collective investment schemes in Switzerland, licensed by the Swiss Financial Market Supervisory Authority (“FINMA”) according to Article 13(2)(f) of the Collective Investment Schemes Act (“CISA”). As of December 31, 2020, Petiole USA managed \$1,371,554,963 in Regulatory Assets Under Management.

Item 5: Fees and Compensation

Pursuant to a sub-adviser investment agreement, Petiole USA will provide the services highlighted in Item 4 to PAM. For these services, Petiole USA will receive a fee in accordance with the allocation principles and procedures set out in TFOCO’s Transfer Pricing Policy. The fee is designed to adequately cover the cost of operations in the US.

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

As Petiole USA’s advisory services do not incorporate performance fees or the offering of any additional investment services. Side-by-side management does not apply to those services rendered by the firm.

Item 7: Types of Clients

In its capacity as sub-advisor, Petiole USA’s only client is PAM. Petiole USA researches and recommends attractive investment opportunities within the real assets, private equity and yielding space, as well as distressed financial institutions. PAM maintains the discretion on whether to purchase recommended investments and in what quantity for their client accounts.

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

Real Assets

The principal investment objective of the Real Assets strategy is to deliver attractive risk adjusted returns to investors through investments in real assets. The strategy is focused on assets with stable cash flow profiles and generally seeks to provide distributions. The program is opportunistic and seeks to be nimble based on changing market dynamics. Such opportunities will primarily be sourced through the Investment Team's global network of relationships. This network includes alternative real estate investment managers, infrastructure funds, fund-of-funds, global investment banks, brokers, operating partners and entrepreneurs. The opportunity set is diverse and can include, but is not limited to, ports, toll roads, stadiums, parking lots, airports, pipelines, office properties, single and multi-family properties, industrial parks, and portfolios of the aforementioned categories. The Petiole USA Investment team will source, perform extensive diligence, and recommend opportunities to PAM. Recommendations by Petiole USA are screened by PAM which is responsible for making final investment decisions on whether to incorporate recommended opportunities into the client portfolios.

Private Equity

The investment objective of the Private Equity program is to identify and invest in attractive risk adjusted private equity investment opportunities. Such opportunities will primarily be sourced through the Investment Team's global network of relationships. This network includes private equity managers, fund-of-funds, global investment banks, regional brokers, and entrepreneurs. The opportunity set is diverse and can include, but is not limited to, leveraged buyout transactions, management buyout transactions, infrastructure investments, brown field expansions, and merger financings. The Petiole USA Investment team will source, perform extensive diligence, and recommend opportunities to PAM. Recommendations by Petiole USA are screened by PAM which is responsible for making final investment decisions on whether to incorporate recommended opportunities into the client portfolios.

Yielding

The investment objective of the Yielding investment programs is to identify and invest in attractive risk adjusted opportunities that offer current cash yield. Such opportunities will primarily be sourced through the Investment Team's global network of relationships. This network includes private equity managers, private debt managers, fund-of-funds, global investment banks, regional brokers, and entrepreneurs. The opportunity set is diverse and can include, but is not limited to, asset financings, portfolio financings, structured credit, first and second lien debt, mezzanine lending, etc. The Petiole USA Investment team will source, perform extensive diligence, and recommend opportunities to PAM. Recommendations by Petiole USA are screened by PAM which is responsible for making final investment decisions on whether to incorporate recommended opportunities into the client portfolios.

Financial Institutions Restructuring

In relation to financial institutions restructuring, Petiole USA searches for investments that can be bought at a price that either reflects a significant discount to such investments' fair value, or will generate an attractive risk-adjusted returns as determined by Petiole USA when taking into account the investments' anticipated cash flows and asset values. Furthermore, Petiole USA will seek to identify market dislocations that can be translated to investment themes and will use bottom-up, fundamental research to select individual securities where there is a clear path and catalysts for the dislocation to correct. The specific strategies used

by Petiole USA will depend on the particular opportunities that arise in the market over time and will be implemented through the use of both long and short positions. Petiole USA will seek to achieve its objective by investing primarily in the common equity (both public and non-public) of U.S. and non-U.S. banks, thrifts, depository institutions, and non-bank financial services companies. Petiole USA expects that investments will be made in both “special situations” including but not limited to bank recapitalizations, thrift conversions and FDIC assisted deals, where primary capital is injected in the institution as well as acquisition of securities in the secondary market. Petiole USA will also recommend privately placed unregistered securities that do not have a readily ascertainable market value and in other illiquid securities which may be valued but are not liquid or freely transferable. In evaluating investment opportunities, Petiole USA will perform an evaluation of the target’s franchise value as well as credit, market and operational risks. As part of its credit review for a target company, Petiole USA, where available, shall perform analysis of a sampling of the target’s loan files for commercial loan portfolios (including commercial real estate and construction loans) and re-evaluate collateral value and repayment capacity of borrowers. The services of third party appraisers and loan valuation firms may be utilized in the credit evaluation of such target company. The combined result of this asset diligence will enable Petiole USA to determine the asset value of the target’s securities.

In addition, Petiole USA will conduct an analysis of the target institution’s deposit portfolio to evaluate pricing and the quality of core deposits. Particular attention will be paid to deposit sourcing and market share by geographic area as well as recent run-off trends to better evaluate the normalized long term deposit level potential in the metropolitan statistical area served. Petiole USA also intends to analyze other sources of wholesale funding utilized by the target institution. The results of this deposit diligence will enable the Firm to determine the deposit premium appropriate for the franchise.

While Petiole USA has extensive experience in evaluating and executing investment transactions, it may, as it deems necessary, retain the services of legal advisors, financial advisors, and other outside professional firms to assist in its due diligence efforts.

Overview of Risks

All investing involves a risk of loss and the investment strategies offered by Petiole USA could lose money over short or long periods. The descriptions contained below include an overview of the material risks related to Petiole USA’s investment strategies.

Dependence on Key Personnel - The success of each investment will depend on the financial and managerial expertise of the investment team of Petiole USA. Any loss of one or more individuals could have a material adverse effect on the performance of the investments. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases Petiole USA will monitor portfolio company management, management of each portfolio company will have day-to-day responsibility of such portfolio company.

Financial Market Fluctuations - Investments in real estate and portfolio companies are subject to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations, and other factors.

Difficulty Locating Suitable Investments - The investments may be in equity or equity-related investments which by their nature involve business, financial, market, and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial losses. There can be no assurance that Petiole USA will correctly evaluate the nature and

magnitude of the various factors that could affect the value of such investments. The securities owned by the Funds are not publicly traded and may require to be fair valued by Petiole USA. When estimating fair value, Petiole USA will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of Petiole USA.

Business and Regulatory Risks - Legal, tax and regulatory changes could occur that may adversely affect the investments. The regulatory environment for investment advisers is evolving, and changes in the regulation of investment advisers may adversely affect the value of investments held by the client. The effect of any future regulatory change on the investments could be substantial and adverse.

Systems Risk - Petiole USA is dependent upon various computer and telecommunications technologies. The successful deployment of Petiole USA's investment strategy, the implementation and operation of such investment strategy, and various other critical activities of Petiole USA could be severely compromised by telecommunications failures, power loss, software-related "system crashes," cyber-attacks (including, but not limited to, viruses, worms, Trojan horses, denial-of-service attacks, and hacking), fire or water damage, or various other events or circumstances. Petiole USA does not provide comprehensive and foolproof protection against all such events (whether because it believes such to be impractical or prohibitively expensive in terms of financial expenditures and/or scheduling delays, or for other reasons), and does not expect to secure such comprehensive or foolproof protection. Any event that interrupts Petiole USA's computer and/or telecommunications operations, however, could result in, among other things, the inability to monitor the client's portfolios, and, for those and other reasons, could have a material adverse effect on the client. In the case of the most severe business disruptions (e.g., regional power outage, cyber-attacks, or loss of personnel), Petiole USA may not resume monitoring the client's portfolios for one or more business days, because (among other things) such resumption is dependent on other critical business constituents, and on the nature of the disruption.

Business, Terrorism and Catastrophe Risks – Petiole USA's Clients will be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on Petiole USA's business and Clients' portfolios including investments made by Petiole USA.

Risks of Investments in Real Assets, Private Equity and Yielding Strategy

Risks of Real Estate Investment - The success of any real estate investment activity is influenced by a number of factors, including: (i) changes in the general economic climate; (ii) local real estate conditions (such as an oversupply of space or a reduction in demand for space); (iii) competition based on rental rates; (iv) attractiveness and location of the properties; (v) financial condition of buyers and sellers of properties; (vi) quality of maintenance and insurance services; (vii) changes in operating costs; (viii) changes in interest rates and the availability of financing; (ix) uninsured losses or delays from casualties or condemnation; (x) government regulations (including those governing usage, improvements, zoning and taxes); (xi) potential liability under environmental and other laws; (xii) structural or property-level latent defects; (xiii) imposition of rent controls; and (xiv) energy and supply shortages.

Liquidity Risk - A long-term commitment is required for investing in private equity, as securities of portfolio companies can be held for a number of years. In many cases these securities are not publicly traded. Consequently, any returns on the investments are paid to investors multiple years after they invest. A variety of factors, including national and international economic conditions, asset conditions, political and

regulatory considerations, and public opinion, may impact Petiole USA's ability to buy or sell investments on favorable terms, if at all.

Lack of Control – Investments may involve holding a non-controlling interest in a portfolio company, and therefore, Petiole USA may have a limited ability to protect its client's interest in the portfolio company or influence the creation of value at the portfolio company.

Co-Investment Risk – Petiole USA's client may invest alongside strategic, financial or other third-party co-investors. The ability of the client to achieve certain co-investment objectives assumes that the Client will be able to negotiate and execute mutually acceptable terms and conditions in respect thereof. Such investments will involve additional risks which may not be present in investments which do not involve a co-investor, including the risk that a co-investor or co-investors may have interests contrary to the interests of the client.

Performance Dependent upon Unrelated Managers - Some of the investments will be managed by portfolio managers unrelated to Petiole USA. While representatives of Petiole USA may serve on the advisory boards of certain underlying fund investments, Petiole USA generally will not have the opportunity to evaluate the specific investments made by any underlying fund and will not have an active role in the day-to-day management of the underlying funds. As a result, the returns of the investments will depend largely on the performance of these unrelated portfolio managers and could be substantially adversely affected by the unfavorable performance of these portfolio managers.

Risks of Financial Institution Restructuring Investments

Equity Securities - Petiole USA invests primarily in long positions in equity securities. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions affecting specific issuers, such as changes in earnings forecasts.

Concentration of Investments; Limited Diversification - Petiole USA's investment strategies may result in Clients holding a few, relatively large positions in relation to such Clients' capital. Thus, the investment portfolio may be subject to more rapid change in value than would be the case if the portfolio was required to maintain a wider diversification among industries, companies and types of securities.

Concentration in Financial Services Industry - Investments by Petiole USA for its client will be concentrated in the thrift, banking and financial services industry, and in U.S. regional banks. As a result, the performance of accounts managed by Petiole USA may be particularly susceptible to developments affecting securities of issuers in the financial services and banking industry, such as changes in interest rates, changes in the regulatory environment, and changes in general economic conditions. Each strategy may be subject to more rapid change in value than would be the case if the strategy were required to maintain a wider diversification among industries, companies, and types of securities.

High Risk Investments - Petiole USA may invest in companies involved in (or that are the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. Likewise, Petiole USA's investment philosophy may involve investment in markets or companies in the midst of a period of economic instability. In any investment opportunity involving any such type of business enterprise, there exist a number of risks, such as the risk that the transaction in which such business enterprise is involved either may be unsuccessful, may take

considerable time or may result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, Petiole USA may be required to sell an investment at a loss. Further, in any investment in an unstable economic environment, there exists the risk of bankruptcy or insolvency with respect to equity securities and of default as to debt securities.

Illiquid Investments - Certain securities and other investments acquired by Petiole USA may not be readily marketable. Certain securities may be relatively thinly traded, and the market prices for such securities may therefore tend to be more volatile, and may be affected to a greater extent by a major market dislocation, general economic or market developments, changes in interest rates, regulatory or other developments affecting the banking sector, or other developments related to specific companies in that sector. Petiole USA may invest in securities for which no market exists or that have restricted transferability under federal or state securities laws. Petiole USA may be able to dispose of these securities only at substantial discounts or losses.

Item 9: Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note, neither Petiole USA nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10: Other Financial Industry Activities and Affiliations

Petiole USA is a wholly owned subsidiary of Petiole Holding AG, which is located in Switzerland. Petiole Holding AG is a wholly owned subsidiary of Petiole HK Holding Limited, which is located in Hong Kong. Petiole USA also has five other affiliates:

- Petiole USA's Hong Kong affiliate, Petiole Management (Hong Kong) Limited, is licensed and regulated by the Securities and Futures Commission, Hong Kong.
- Petiole USA's Saudi Arabia affiliate, The Family Office International Investment Company, is licensed and regulated by the Capital market Authority.
- Petiole USA's Swiss affiliate, PAM, is licensed and regulated by FINMA.
- Petiole USA's Bahrain affiliate, TFOCO, is licensed and regulated by the Central Bank of Bahrain.
- Petiole USA's Cayman Islands affiliate, Petiole Manager Limited, is regulated by the Cayman Islands Monetary Authority.
- Petiole USA's Cayman Islands affiliate, Petiole Shari'ah Manager Limited, is regulated by the Cayman Islands Monetary Authority.

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

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, Petiole USA has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes Petiole USA's fiduciary duties and obligations to clients, and sets forth Petiole USA's practice of supervising the personal securities transactions of employees who maintain access to client

information. The firm collects and maintains records of securities holdings and transactions made by employees. The firm reviews the personal trading practices of its employees to identify and resolve any potential or realized conflicts of interest. A copy of Petiole USA's Code of Ethics is available upon request.

Item 12: Brokerage Practices

Petiole USA's primary focus is on private markets. (Real Assets, Yielding, and Private Equity). As a result, it has limited interaction with Broker Dealers in regard to its primary focus. However, there are instances where Petiole USA may have incidental liquid securities activity upon realization of private investments through an IPO.

Petiole USA's primary interaction with Broker Dealers occurs as a result of its Financial Institutions Restructuring strategy. In making recommendations on investing in distressed financial institutions, Petiole USA expects that investments will be made in both liquid "special situations" including but not limited to bank recapitalizations, thrift conversions and FDIC assisted deals, where primary capital is injected in the institution as well as acquisition of securities on a secondary basis while using a broker dealer as an intermediary. Petiole USA may also, in its Financial Institutions Restructuring strategy, recommend privately placed unregistered securities that do not have a readily ascertainable market value and in other illiquid securities which may be valued but are not liquid or freely transferable. These private placements will be transferred through a designated broker-dealer.

When possible, orders for the same security are combined or "batched" to facilitate best execution concerns. Petiole USA effects batched transactions in a manner designed to ensure that no participating account is favored over any other account. Specifically, each account that participates in a batched transaction will participate at the average share price for all of Petiole USA's transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated pro-rata, when possible, to the participating accounts in proportion to the size of the order placed for each account. Petiole USA may, however, increase or decrease the number of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular accounts. Additionally, if Petiole USA is unable to fully execute a batched transaction and determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, Petiole USA may allocate such securities in a manner determined in good faith to be a fair allocation.

Petiole USA's securities activity is specialized, so the main considerations in the selection process are the broker dealers' ability to execute transactions, market making ability, and commission rates. While Petiole USA receives research from broker dealers, it does not have any soft dollar or commission sharing arrangements. Brokerage is paid for execution only services. There have been no products or services acquired with client brokerage commissions. Petiole USA does not pay brokers for client referrals, as its sole client is PAM. Petiole USA has the authority to select brokers, and PAM does not direct transactions to broker dealers. Trades may be aggregated for the sub-accounts of PAM, and all sub-accounts will receive the pro rata allocation of the aggregated trade at the same average price of execution.

Item 13: Review of Accounts

Petiole USA will provide quarterly, as well as annual reports to PAM. The reports will include progress on investments, a financial summary and an outlook for each portfolio company.

Item 14: Client Referrals and Other Compensation

As Petiole USA's client is PAM, Petiole USA does not compensate others for client referrals or receive other compensation outside of that earned from its advisory services.

Item 15: Custody

Petiole USA does not maintain custody of client funds or securities. Client assets are held in custody at an independent bank in the accounts of the respective clients.

Item 16: Investment Discretion

Petiole USA does not maintain discretionary authority to make investment decisions. Petiole USA makes recommendations to PAM on behalf of its clients. PAM maintains ultimate discretionary authority and determines if such recommendations will be implemented.

Item 17: Voting Client Securities

Petiole USA's primary focus is on the private markets (Real Assets, Private Equity, Yielding). From time to time, executives from Petiole USA will sit on the board of directors of private companies that are a part of the investment portfolio. The primary role of the Petiole USA executives with board participation will be to represent the client on the board, and recommend to the client the appropriate actions to take to maximize value and minimize risk. With regards to the Financial Institutions Restructuring strategy, public market securities will require regular voting activities. Petiole USA has no authority to vote but will receive proxies and other solicitations from the Client's custodians and transfer agents and will provide advice on voting to PAM.

Petiole USA does not direct the Client's participation in class actions. Any notices of class actions received by Petiole USA will be forwarded to the Client for action.

Item 18: Financial Information

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to the client's decision in choosing an investment adviser. As of this filing, Petiole USA does not require the pre-payment of fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.