

FORM ADV PART 2A

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This brochure provides information about the qualifications and business practices of Private Capital Advisors, Inc. (hereinafter "PCA" or "we" or "our"). If you have any questions about the contents of this brochure, please contact us at (347) 960-4520 or at team@privatecapitaladv.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. PCA may refer to itself as a "registered investment adviser." Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. Additional information about PCA also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 125771.

Item 2: Material Changes

This Item 2 discusses only material changes that have been made since the Firm's most recent annual updating amendment.

- We have no material changes to report since the last filing of our Firm Brochure.

Additional Information:

This Firm Brochure provides you with a summary of PCA's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

- Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
- Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.
- PCA moved its business location from 150 E. 52nd Street, 21 Flr. Suite 21002 to 23 Old Kings Highway South Suite 200 Darien, CT 06820

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Item 4: Advisory Business

a) Background

Private Capital Advisors Inc. ("PCA" or the "Firm") is an asset manager specializing in the individual portfolio management of segregated accounts of institutional and high net worth clients with a focus on the liquid investment's strategies. PCA is an SEC-registered investment adviser with its principal place of business located in Darien, Connecticut. The Firm has been offering investment advisory services since 1997.

b) Advisory Services

PCA provides investment advice and management to High-Net-worth individuals and institutions separately managed accounts ("Separate Accounts" or "Clients").

c) Tailored Advice and Client-Imposed Restrictions

Each investment strategy can, in most cases, be tailored to meet a client's specific investment objectives, risk guidelines, and legal constraints. For Fund clients, the Firm manages the account in accordance with the Fund's offering documents, which typically contain more detailed information, including a description of the investment objective and strategy or strategies employed and related restrictions.

PCA provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, the Firm develops a strategy and creates and manages a portfolio based on that policy.

During our data-gathering process, the Firm determines the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, the Firm also reviews and discuss a client's prior investment history, as well as family composition and background.

PCA manages these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

d) Sub-Advisory Relationship

PCA may also provide Investment Management Services as a sub-adviser; in other words, a client may engage an independent investment adviser (the "Sponsor") which, in turn, will engage PCA to provide portfolio management services to all or part of its clients' portfolios. In this situation, PCA will receive a portion of the fee charged by the independent adviser to the client, typically ranging from 0.60% to 0.75% of the client's managed assets, based on the size and complexity of the client's account and the agreement between PCA and the Sponsor. Clients should refer to the Sponsor's disclosure documents for full information on the Sponsor's advisory services.

The Firm's investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over the counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in investment partnerships

PCA may provide advisory services on investing in private investment partnerships, including partnerships for which PCA's related persons serve as general partner or managing member. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. Certain clients have an interest in IPO's. While this is not part of the Firm's strategy, PCA will provide advisory services to clients who choose to participate.

Clients must consider whether a separate account relationship is appropriate to their own circumstances based on all relevant factors including, but not limited to, the Client's or investor's own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective clients and investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant relating to the proposed investment program for the Separate Account and the additional details about PCA's investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making a decision to hire the Firm.

e) Wrap Fee Disclosure

Not applicable.

f) Assets Under Management

As of December 31, 2023, the Firm had \$793,947,229 in discretionary assets under management.

Item 5: Fees and Compensation

a) Compensation

The Firm charges each Client an investment management fee based on the market value of the securities and cash in the portfolio on the appraisal date of the account. The annual management fee ranges from 0.75% to 1.25% of assets under management according to the following schedule:

<u>Assets under Management:</u>	<u>Annual Fee (%)</u>
First \$3,000,000	1.25%
Next \$20,000,000	1.00%
Over \$23,000,000	0.75%

The above fee schedule shall apply to equity portfolios. However, for bond portfolios are charged a fixed 0.35% regardless of the amount of assets under management.

The Firm may also charge performance-based fees (see Item 6). All fees are negotiable. Fees may differ based on account size, strategy, and complexity among other factors.

b) Billing

In general, investment management fees are based on a valuation of assets by the Client's custodian or administrator.

Clients are invoiced in advance at the beginning of each calendar quarter based on the market value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), including cash positions, of the client's account at the end of the previous quarter.

A minimum of \$1,000,000 of assets under management is typically required for this service; however, this may be negotiable in certain circumstances.

- Investments in Limited Partnerships: Client assets invested in partnerships for which PCA's, or its related persons may serve as general partner will not be included in calculating PCA's advisory fee.
- Limited Negotiability of Advisory Fees: Although PCA has established the fee schedule(s), the Firm retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The annual fee schedule is provided in this brochure (ADV Part 2A) which is delivered to clients upon account opening.
- Account Grouping: The Firm may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.
- Reduced Fees: Discounts, not available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

c) Other Expenses

Clients are responsible for and do incur other expenses separate and apart from the Firm's investment management fees. These expenses typically include custody fees, brokerage services and other transaction fees (where imposed), and/or expenses associated with the investment vehicle in which their assets are invested (such as mutual fund expenses). See Item 12 for more information about the selection of broker-dealers.

- *Mutual Fund Fees:* Money market mutual funds may be used to 'sweep' unused cash balances until they can be appropriately invested. Clients should recognize that all fees paid to PCA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will include a management fee, other fund expenses, and a distribution fee. All fees paid to PCA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will include a management fee, other fund expenses, and a distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by the Firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.
- *Wrap Fee Programs and Separately Managed Account Fees:* Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.
- *Additional Fees and Expenses:* In addition to our 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 charges imposed by a broker dealer with which an independent investment manager effects transaction for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.
- *Grandfathering of Minimum Account Requirements:* Pre-existing advisory clients are subject to PCA's minimum account requirements and advisory fees in effect at the time the client entered the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.
- *ERISA Accounts:* PCA is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and

Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, the Firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, PCA may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset PCA's advisory fees.

- *Advisory Fees in General:* Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.
- *Limited Prepayment of Fees:* Under no circumstances do we require or solicit payment of fees more than \$1,200 more than six months in advance of services rendered.

d) Advance Billing

Investment management fees may be paid quarterly or monthly, in advance or in arrears, as agreed on with the Client. Accounts that are terminated prior to the end of the period, fees paid in advance will be refunded to the extent agreed to by the parties.

e) Sales-based Compensation

Neither the Adviser nor any of its employees or affiliates accepts additional compensation for the purchase or sale of securities or other investment services or products.

Item 6: Performance Based Fees and Side by Side Management

The Firm charges some Clients fees based on a share of positive returns of the client's assets under management. This fee, which varies by strategy and Client, consists of a negotiated percentage of the Client's realized and unrealized investment returns over any agreed hurdle rate where applicable.

Performance-based compensation may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not be realized. In addition, this arrangement may cause clients to pay a greater expense than if such fees were not charged.

To the extent that PCA and its portfolio managers manage accounts that charge only investment management fees and accounts that also charge performance-based fees, the Firm and/or its portfolio managers may have a conflict of interest in that an account with a performance-based fee arrangement will offer the potential for higher profitability when compared to an account with only an investment management fee. Performance-based fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the devotion of time, resources, and allocation of investment opportunities.

To manage these potential conflicts, PCA has adopted several policies and procedures. These policies and procedures include (i) the PCA Compliance Manual, which reminds all employees of their duty to treat all clients fairly; (ii) trade allocation and aggregation policies which seek to ensure that investment opportunities are allocated fairly and equitably among clients over time without consideration of relative fee structures; and (iii) allocation and performance monitoring processes designed to identify potentially unfair or unequal treatment of accounts. See also "Item 11(b) – Participation or Interests in Client Transactions" and "Item 12(e) – Aggregation and Allocation of Trades."

Item 7: Types of Clients

PCA provides discretionary investment management services primarily to:

- institutions such as banks or thrift institutions, insurance companies, corporations or other forms of business entities, other asset managers, trusts, family offices, endowments, charitable institutions, pension funds and profit-sharing plans and other institutions and high-net-worth individuals inside and outside the United States.

The minimum dollar amount of assets ordinarily required for the establishment of a Separate Account is \$1,000,000. The Firm, in its sole discretion, may waive investment minimums.

Item 8: Methods of Analysis; Investment Strategies; Risk of Loss

a) Methods of Analysis & Investment Strategies

PCA utilizes proprietary fundamental research to identify investment opportunities meeting its investment criteria. We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- Charting. In this type of technical analysis, we review charts of market and security activity to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.
- Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a suitable time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- Technical Analysis. We analyze past market movements and apply that analysis to the present to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.
- Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market to predict the price movement of the security.
- Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.
- IPO's – While IPOs are not part of our strategy, PCA may facilitate investments in IPOs for certain clients upon their request.

f) Investment Strategies:

PCA uses the following strategy(ies) in managing client accounts, provided that such strategy(is) is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:
 - we believe the securities to be currently undervalued, and/or

- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Below is a list of tools one may utilize.

- Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a brief time (typically a year or less). We do this to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.
- Trading: We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this to take advantage of our predictions of brief price swings. Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:
 - having a long-term investment in a security that was designed to be a short-term purchase, or
 - the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

- Margin Transactions: We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call,” and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.
- Option writing: We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period. We will buy a call if we have determined that the stock will increase before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time, and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we must buy the option back from the option buyer, for a loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Risk of Loss: Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

g) Risks of Investment Strategies

Investing in general involves risk of loss that clients should be prepared to bear. Our principal investment strategies present the following material risks:

- **Debt Securities Risk.** The risks of investing in debt securities include, without limitation: (i) credit risk – the issuer may not repay the obligation created by the issuance of that debt security; (ii) maturity risk – a debt security with a longer maturity may fluctuate in value more than one with a shorter maturity; (iii) market risk – low demand for debt securities may have a negative impact on their price; (iv) interest rate risk – when interest rates go up, the value of a debt security goes down, and when interest rates go down, the value of a debt security goes up; (v) selection risk – the securities that the Firm selects may underperform the market or other securities selected by other investment managers; and (vi) prepayment or call risk – during a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce the strategy's income, if the proceeds are reinvested at lower interest rates.
- **High Yield Security Risk.** Investments in high yield securities can involve a substantial risk of loss. These securities, which are rated below investment grade, are speculative with respect to the issuer's ability to pay interest and principal and they are susceptible to default or decline in market value due to adverse economic and business developments.
- **Liquidity Risk.** Securities that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, market events, economic conditions, or investor perceptions. Below investment grade bonds and bank loans may be less liquid than the investment grade securities. The value of illiquid securities may reflect a discount from the market price of comparable securities for which a liquid market exists, and accordingly may have a negative effect on the value of a strategy's assets. To meet Client requests to withdraw assets, we may be forced to sell securities at an unfavorable time and/or under unfavorable conditions.
- **Foreign Investment Risk.** Investments in foreign securities are subject to risks that differ from investments in U.S. securities. These risks may include fluctuating currency values; less liquid trading markets; greater price volatility; political and economic instability; less publicly available

information about issuers; changes in tax or currency laws; and changes in monetary policy. Foreign securities may be more difficult to sell than U.S. securities. All these risks may be greater in emerging market countries than in more developed countries.

- **Market Risk.** The high-yield bond market can experience sharp and sudden price swings due to a variety of factors, including changes in securities regulations, swings in market psychology, volatility in the stock market, changing economic conditions, a highly publicized default, or changes in asset allocations by major institutional investors.
- **Currency Risk.** The value of a client's assets may be affected favorably or unfavorably by changes in currency rates. Currency exchange rates may fluctuate significantly over short periods of time. They are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. While the Firm may seek to hedge this risk using foreign currency forward contracts, these contracts may not be effective in managing currency risk effectively. Also, currency markets are not as regulated as securities markets.
- **Derivatives Risk.** Certain strategies may use derivatives. The use of derivatives may increase the volatility of performance or the value of a strategy's assets and may involve a small investment of cash relative to the magnitude of risk assumed. The principal risk of forward commitments is that the security may be worth less when it is issued or received than the price the strategy agreed to pay when it made the commitment. The principal risks of swap agreements are that they may be difficult to value and may be susceptible to liquidity and credit risk. The principal risk of options transactions is that they may increase the volatility or the value of the strategy's assets and may involve a small investment of cash relative to the magnitude of the risk assumed. Derivatives may also be subject to counterparty risk, that is, the risk that the other party in the transaction will not fulfill its contractual obligations.
- **Leverage Risk.** Certain transactions and the use of derivatives such as foreign currency forward contracts, swaps and futures may create leveraging risk. Leverage may cause the Client's account to be more volatile than if the Client's account had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Client's securities. Only certain Clients may incur leverage.
- **Short Selling Risk.** Certain strategies may sell securities short. If a security sold short increases in price, the strategy may have to cover its short position at a higher price than the short sale price, resulting in a loss. A strategy may have substantial short positions and must borrow those securities to make delivery to the buyer. The strategy may not be able to borrow a security that it needs to deliver, or it may not be able to close out a short position at an acceptable price and may have to sell related long positions before it had intended to do so. Thus, we may not be able to successfully implement the short sale strategy due to limited availability of desired securities or for other reasons.
- **Equity Securities Risk.** Certain strategies may invest in, sell short, or hold equity securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions and general economic environments.

Item 9: Disciplinary Information

PCA associated persons have not been involved in any legal or disciplinary events that are material to a client's or potential Client's evaluation of our advisory business or the integrity of the Firm's management.

Item 10: Other Financial Industry Activities and Affiliations

a) Registered Broker-Dealer or Registered Representative

Not Applicable

h) Business Relationships with Certain Related Persons

PCA is an owned affiliate of *Private Management & Consulting Group Inc.*

PCA is also a managing member of *Private Capital Strategies, LLC*, an affiliated investment adviser firm which manages the Bayberry West, L.P. private fund (fund of funds). PCA shares in the management fee and performance-based fee received by *Private Capital Strategies, LLC* for managing this partnership.

These various firms will recommend clients to each other when consistent with the best interests of the client. There are no fees paid between the firms for such referrals. The services of all these firms are entirely separate and distinct from the advisory services provided by PCA.

Clients should be aware that the receipt of additional compensation by PCA and its management personnel or employees creates a conflict of interest that may impair the objectivity of the Firm when making advisory recommendations. PCA always puts the interest of its clients first as part of its fiduciary duty as a registered investment adviser. PCA takes the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees.
- we disclose to clients that they are not obligated to utilize the advisory services from our employees or affiliated companies.
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11: Code of Ethics; Client Transactions; Personal Trading

a) Code of Ethics

The Firm has adopted a Code of Ethics (the “Code”) which is designed to set forth the general fiduciary principles governing employees, require compliance with the federal securities laws, and assist employees in detecting and managing conflicts of interest. It also describes policies on personal trading by Firm employees. The Code is further supported by several policies addressing specific potential conflicts and other matters, such as the Firm’s policies concerning Insider Trading and Gifts and Entertainment.

PCA permits its employees to engage in personal securities transactions. These transactions raise potential conflicts of interests, including when they involve securities owned or considered for purchase or sale by or on behalf of a client account. Potential conflicts of interest may arise in connection with, for example, an employee’s knowledge and timing of transactions, investment opportunities, broker selection, portfolio holdings and investments. The Firm manage these potential conflicts by requiring that any transaction be made in compliance with our Code.

The Code imposes specific requirements concerning employees’ personal security investments, including but not limited to:

- Employees must quarterly report personal securities transactions in Covered Securities, which excludes certain securities such as US government securities and open-end mutual funds (other than funds managed by the Firm).
- Employees must report all holdings annually.
- Employees may not trade for their personal accounts while in possession of material, nonpublic information.
- Employees may not trade for their personal accounts in securities of issuers that appear on our Restricted List; and
- With certain exceptions for circumstances where the Firm believes the possibility of a conflict is remote, employees must receive prior approval from the Chief Compliance Officer or his or her delegate prior to making a transaction in a Covered Security, and prior to purchasing a security in an initial public offering or a private offering.
- Associated persons of PCA participate in the allocation of the PCA investment strategies.

All Clients and prospective Clients may obtain a copy of the Firm’s Code of Ethics by writing or calling the Firm as follows:

Private Capital Advisors, Inc.

Attn: Chief Compliance Officer

23 Old Kings Highway South

Suite 200

Darien, CT 06820 Telephone: (347) 960-4520

i) Participation or Interests in Client Transactions; Investment in Securities Recommended to Clients

Employees of PCA and its affiliates may invest in securities that are also recommend to Clients. They also may give advice and take action with respect to Client accounts they manage, or for their own

accounts, which may differ from action taken, or the time or nature of the action taken, by the Firm or its affiliates on behalf of other Client accounts. It may not always be possible for the same investment positions to be taken or liquidated at the same time or at the same price across all Clients. PCA and it has adopted policies and procedures to detect and manage the actual or potential conflicts of interest that result. See “Item 12 – Brokerage Practices; Aggregation and Allocation of Trades.” PCA is not obligated to recommend, buy, or sell, or to refrain from recommending, buying, or selling any security that PCA or its affiliates or their respective employees may buy or sell for their own accounts or for the accounts of any other Client.

Additionally, in certain circumstances, the Firm may come into possession of material, non-public information about an issuer. In these instances, PCA typically adds the issuer to its Restricted List and would be prohibited from communicating such information to Clients or purchasing or selling securities of such issuer for a client while the issuer remains on the Firm’s Restricted List. In these circumstances, we have no responsibility or liability to the Client for not disclosing the information to the Client (or the fact that we possess such information), or not using such information for the Client’s benefit, because of following our policies and procedures or applicable law.

PCA may take positions in securities for the accounts of certain Clients that it concludes are inappropriate for other of its clients. For instance, PCA may take short positions in the equity securities of certain issuers for the account of a client while other Client accounts hold or acquire the securities and/or leveraged loans of such issuers. Moreover, PCA is not precluded from investing in securities of a company held in some of its client accounts in which other of its clients have senior or subordinated rights relative to the other, or vice versa. As a result of the foregoing, PCA may have conflicts of interests in allocating investments among Client accounts. We seek to manage these conflicts by allocating transactions among accounts in a manner that we determine is fair and equitable under the circumstances and in accordance with our policies and procedures regarding trade allocations. See “Item 6 – Performance Based Fees and Side by Side Management” and “Item 12 – Brokerage Practices; Aggregation and Allocation of Trades” for further information.

Although most trades made for Clients are executed through the open market, when PCA believes it is in the best interest of all Clients involved, it may engage in “cross trading” – a transaction where one or more Clients purchases securities from one or more other Clients. In such circumstances, the Firm may select an unaffiliated third-party broker-dealer to facilitate the cross trade, but PCA will receive no transaction-based compensation from the transaction. Where a Fund registered under the Investment Company Act of 1940 is involved, the transaction will be executed in accordance with the provisions of Rule 17a-7 under that Act. In other cases, the transaction will be executed in a manner, and at a price, that PCA believes to be fair for all involved Clients. The Firm has adopted procedures to seek the fair treatment of Clients in cross trades, including procedures that prohibit Funds in which PCA or its employees hold more than a 25% interest from participating in cross trades.

PCA, its employees, and employees of its affiliates may own shares or units of Funds for which PCA or its affiliates function as investment manager or in some other capacity. Therefore, a potential conflict of interest exists when allocating trades, correcting errors, engaging in cross transactions, or otherwise making investment decisions on behalf of these Funds. These potential conflicts are greater when purchasing securities that are limited in supply or selling securities that have limited liquidity. However, these Funds are considered Clients and are treated in the same fashion of all other Clients of the firm and are subject to all PCA’s policies and procedures, including those described in this Item 11 and in Item 12.

Item 12: Brokerage Practices

a) Selection of Broker-Dealers

In placing orders for purchase and sale of securities and selecting broker-dealers to effect transactions, PCA seeks prompt execution of orders at the most favorable prices reasonably obtainable and in doing so will consider a number of factors, including, without limitation, the overall direct net economic result to the client, the financial strength, reputation and stability of the broker-dealer, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the settlement capabilities of the broker-dealer and the willingness of the broker-dealer to stand ready to execute possibly difficult transactions in the future. After giving account to all these considerations, the Firm may cause an account to pay commissions or spreads which may not be the lowest available, but which ordinarily will not be higher than the prevailing competitive range.

b) Soft-Dollars Arrangement

Under its discretionary authority and consistent with its duty to seek best execution, PCA may direct brokerage transactions for client accounts to broker-dealers that provide PCA with research and brokerage products and services. The brokerage commissions used to acquire research and brokerage products and services are known as “soft dollars.” Securities Exchange Act section 28(e) provides a “safe harbor” that permits an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid is reasonable in relation to the brokerage and research products and services provided. As a matter of policy, PCA does not pay higher commission or mark-up prices or direct trades to a particular broker-dealer to receive research or other services. Broker-dealers typically provide a bundle of services including research and execution of transactions. The research provided can be either proprietary (created and provided by the broker-dealers, including tangible research products as well as access to analysts and traders) or third-party (created by a third party, but provided by a broker-dealers). PCA may use soft dollars to acquire either type of research.

Currently, PCA obtains both proprietary and third-party research services which it pays for using soft dollars in accordance with Section 28(e) of the Securities Exchange Act.

c) Brokerage for Client Referrals

Brokers or dealers that PCA selects to execute transactions may from time to time refer clients to PCA. PCA will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and PCA's interest in receiving future referrals.

PCA does not consider, in selecting or recommending a broker dealer, whether the Firm or a related person receives client referrals from that broker-dealer.

d) Directed Brokerage

Typically, the Firm does not accept clients who require us to execute transactions through a specific broker-dealer. Clients may however provide an approved list of broker-dealers for their account. The Firm will use such broker-dealers subject to our determination that these broker-dealers provide best

execution of Client transactions. However, to the extent that the Firm places an aggregated order through a broker-dealer that is not on a Client's approved list but which the Firm believes will provide best execution for the order, the Client would not participate in that order and the Firm would have to place the order for the Client through one of the Client's approved broker-dealers. As a result, the Client might pay a higher price or receive a lower price for the same security than those Clients who participated in the aggregated order. Thus, restricting the broker-dealers that the Firm may use to effect transactions for its account may cost the Client money.

e) Aggregation Allocation of Trades

When orders to purchase or sell the same securities on identical terms are placed on behalf of more than one account managed by PCA or its affiliates, the transactions are normally averaged as to price (to the extent they are executed with the same broker/dealer) and allocated as to amount in accordance with the order placed for each account. Such orders are combined, when possible, to facilitate best execution by reducing overall transaction costs. In cases where only part of an order is filled, securities are allocated to accounts in a manner which PCA deems equitable, which may include pro rata or certain other methods such as a rotation process. In certain limited circumstances, PCA may also select certain clients to participate in a partially filled order based upon certain criteria that it deems significant, including, without limitation: (a) the need for, or availability of, cash to complete the transaction; (b) whether the transaction would result in a meaningful position for the client's account; (d) whether a client's account is under or over-weighted with respect to a particular security, industry or sector in comparison to other accounts in the order; (e) the availability of an alternative investment in the same security or industry; and (f) minimum lot sizes required by the issuer of the security.

f) New Issues and Other Limited Opportunities

PCA may invest Client assets new issues in equities or bonds. ("New issues"). New issues frequently are in great demand and available only in limited quantities. Moreover, new issues can trade at a premium shortly after issuance. Because these factors subject new issues to potential abuse, PCA seeks to ensure that new issues are allocated in a fair and equitable manner. Each portfolio manager will determine whether to participate in a new issue for some or all his or her client accounts. This decision as to whether to participate in a new issue and to what extent will be based upon factors such as, without limitation: (i) the investment strategy or the investment parameters associated with the strategy used to manage the Client accounts; (ii) the merits of the investment proposition; (iii) whether the risks of investing in a new issue are appropriate for the client accounts; and (iv) Client guidelines or legal restrictions.

Because orders for new issues are often only partially filled, accounts participating in the original order may receive only a portion of the amount requested and may not receive any allocation at all. A portfolio manager may decide not to participate in a particular new issue based on the merits or profile of the investment opportunity. Many PCA investment strategies are relative-value oriented and long-term in nature. When considering whether to invest in a new issue, the portfolio manager weighs the investment proposition against the potential for gain from the existing holdings in the strategy and the other costs associated with the transactions, including transaction implementation costs related to selling positions to pay for the new issue. Many PCA strategies do not invest in new issues on a regular basis, while certain strategies, particularly certain of PCA's alternative investment strategies, do. New issues may trade at a premium over the new issue price shortly after its issuance. Consequently, those strategies that regularly invest in new issues (including strategies used to manage PCA's hedge funds) may be able to quickly sell new issues and may therefore

significantly benefit from such investments, while those strategies that do not regularly invest in new issues will not.

Item 13: Review of Client accounts

a) Client Account Reviews

Our portfolio managers review Client portfolios on a regular basis considering Client objectives and guidelines and in response to market events and the Firm's general policies and strategies. In addition, the portfolio managers meet regularly to consider economic, market and general investment matters not related to specific Client accounts. No single Client account is the sole responsibility of any one portfolio manager. Members of the Firm's portfolio risk analytics group review portfolios at least monthly to monitor performance consistency among Clients with similar objectives.

b) Client Reports

Separate Account Clients receive regular monthly reports. These reports provide information on account size or account balances, monthly performance, industry commentary, securities held, values and other information designed to provide clients with an assessment of their portfolios.

Item 14: Client Referrals and Other Compensation

It is PCA's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm. It is PCA's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Should the Firm in the future amend its policy to compensate third parties for client referrals, before making payments for any client referral, the Firm would require each such third party to enter into a written referral agreement. This agreement will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the potential client at the time of the solicitation or referral. Referral fees are a percentage of the annual management fees, incentive allocation, or a combination thereof, earned by the Firm on referred accounts. The referral fees typically do not result in additional expenses to the referred Client. Potential clients are required to acknowledge they have been informed of the referral arrangement, including the type and amount of compensation, prior to PCA accepting the Client's account.

Item 15: Custody of Clients' Cash and Securities

PCA is deemed to have custody of Clients. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. PCA urges the Client to compare the custodial statements with the quarterly statement provided by PCA. Clients should contact us directly if they believe that there may be an error in their statement. As a rule, PCA does not have actual or constructive custody of client accounts except in certain instances where PCA or any of its principals have Power of Attorney or act as Trustee or Executor of the account.

PCA or an affiliate may, among other things, act as general partner to private investment Funds for which PCA may serve as investment manager. Such powers may cause the Firm to be deemed to have custody of the private investment Fund's assets for purposes of SEC rules and regulations. Accordingly, to meet the requirements of these rules and regulations, private investment Funds for which we serve as investment manager are subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with the Public Company Accounting Oversight Board and the audited financial statements are distributed to investors in the private investment funds within 120 days of the end of the Funds' fiscal year.

Item 16: Investment Discretion

Subject to each Client's established guidelines, limitations, or restrictions, PCA generally has the authority to determine for each client account: (a) which securities are to be bought or sold; (b) the total amount of securities to be bought or sold; (c) through which broker-dealers those securities are to be bought or sold; and (d) the commission rates or spreads to be paid for each transaction. Authority is typically granted in an investment management agreement signed by the Client and the Firm. Limitations and restrictions are included in the investment management agreement.

Item 17: Voting Client Securities

a) Firm Proxy Voting Authority

From time-to-time companies in which the Firm invests may submit certain matters to a vote of its security holders. The right to vote is usually exercised through a document called a proxy where the security holder enters its vote.

The Firm has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act designed to ensure that proxies are voted prudently and solely in the best interest of our clients. According to our policy, the Firm will vote in accordance with management's recommendations to support the ability of management to run its business in a responsible and cost-effective manner while staying focused on maximizing shareholder value. If a conflict of interest exists between management's recommendation and the Firm or its Clients, the Firm will vote in the manner which in its judgment and sole discretion is in the best interest of its clients.

Clients may obtain a copy of our Proxy Voting Policies or a record of our proxy votes by calling (347) 960-4520 or by writing to us.

b) Client Proxy Voting Authority

Clients who do not grant PCA discretion to vote proxies on their behalf are responsible for voting their own proxies and, if they desire to do so, must arrange to receive proxy materials from the relevant custodians or transfer agents. PCA does not provide any proxy related information, or advice as to how to vote proxies, to these Clients.

Item 18: Financial information of the Adviser

This item requires disclosure of any financial condition that is likely to impair our ability to meet contractual commitments to Clients. Currently, there is no financial condition that is likely to impair our ability to meet contractual commitments to Clients.