



## **CAPITOLIS ADVISORS LLC**

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### **FORM ADV PART 2A FIRM BROCHURE (the “Brochure”)**

**April 29, 2024**

**This Brochure provides information about the qualifications and business practices of Capitolis Advisors LLC (the "Adviser"). If you have any questions about the contents of this brochure, please contact Jon Borer, the Adviser’s Chief Compliance Officer at (212) 388-5204 or [jonb@capitolis.com](mailto:jonb@capitolis.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 with the SEC or with any state securities authority does not imply a certain level of skill or training.**

**Additional information about the Adviser also is available on the Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2. Material Change**

The Adviser does not consider any of the information contained in this version of the Brochure to represent a material change from the information contained in its version dated May 1, 2023. Our current and future investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety.

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#### **Item 4. Advisory Business**

Capitolis Advisors LLC (“**our firm**” or “**the firm**”), a Delaware limited liability company, is an investment advisory firm with its principal place of business in New York, New York. Our firm is wholly owned by its sole member, Capitolis Inc., a Delaware corporation.

Our firm provides investment advisory services under an investment advisory agreement to a separately managed account (the “**SMA**”). The firm’s services to the SMA are provided on a discretionary basis, subject to client agreements. We may also perform certain additional administrative and advisory functions for the SMA and may provide advisory services to clients other than the SMA.

Our advisory services fulfill specific investment mandates as disclosed in, and in accordance with, investment advisory agreements, offering documents, organizational agreements or other governing documents. Any client or prospective client should closely review the applicable investment advisory agreement, offering document, organizational agreement or other governing documents with respect to, among other things, the terms, conditions and risks of investing. Such agreements and documents generally include restrictions on the types of investments the firm may make on behalf of the client. Such restrictions may vary from client to client as disclosed in the client’s investment advisory agreement, offering document, organizational agreement or other governing documents.

Our firm does not participate in wrap fee programs.

As of January 31, 2024, the firm had approximately \$30,000,000 in regulatory assets under management, all of which were managed on a discretionary basis.

#### **Item 5. Fees and Compensation**

##### ***Fees***

Our firm typically receives a management fee from the client based on a fixed fee. Clients are generally billed on a monthly basis, and our fees accrue and are payable in arrears.

The foregoing is a brief summary and is not a substitute for the detailed terms provided in the investment advisory agreements, offering documents, organizational agreements or other governing documents of our clients.

##### ***Expenses***

The expenses paid by our clients are set forth in detail in the respective client investment advisory agreements, offering documents, organizational agreements or other governing documents. Such expenses may differ among and within clients. Thus, although the following is a summary of expenses our clients will generally bear, clients and prospective clients should review the relevant investment advisory agreements, offering documents, organizational agreements or other governing documents carefully, because such documents describe the expenses each client will bear in greater detail.

Generally, each of our clients (to the extent there is more than one) bears its own operating and other expenses, including, but not limited to:

- legal advisers, consultants, rating agencies, accountants, brokers and other professionals; and
- taxes, regulatory and governmental charges (not based on the income of the firm), insurance premiums or expenses and regulatory compliance and filing costs.

Neither our firm, nor any of our supervised persons receives any transaction-based compensation for the

sale of investment instruments.

A description of the brokerage and other transaction costs that will be borne by our clients is in Item 12 of this brochure.

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

Our firm does not charge performance-based fees at this time.

In the event the firm does charge performance-based compensation, it may create an incentive for the firm to cause a client to make investments that are riskier and more speculative than it would otherwise make; that said, client investments may only be made in accordance with the investment guidelines and objectives agreed to by the client.

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

The firm provides investment advisory services to a separately managed account, the beneficial owner of which is a Delaware corporation.

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

The descriptions set forth in this brochure of specific advisory services that our firm offers to our clients, and investment strategies pursued and investments made by our firm on behalf of our clients, should not be understood to limit in any way our firm's investment activities. Our firm may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that we consider appropriate, subject to each client's investment objectives and guidelines.

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

Our firm's investment advisory program for its clients will generally consist of selecting and approving transactions in securities or other financial instruments for the clients as well as advising and directing each client with respect to the purchase and sale of such. The process of selecting and approving transactions in securities and other financial instruments will be subject to certain investment criteria specified in the investment advisory agreement we enter into with each client.

Clients and investors should be aware that investing in securities and other investment instruments involves risk of loss that clients and investors should be prepared to bear.

##### ***Risks***

The investment strategies the firm uses entail significant risks, including, but not limited to, those identified below. Further details regarding these risks and other applicable risk factors are included in the offering documents of the clients for which we perform investment advisory services, or in the advisory agreement or other documentation furnished to other clients. Clients are advised to carefully review all risk factors described in such documents. The following is not intended to supersede the material contained in such documents.

***Risk of Default or Bankruptcy of Third Parties.*** The clients may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, a client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, the client could suffer losses if there were a default or bankruptcy by certain other third parties,

including brokerage firms and banks with which the client does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if the client's prime broker and custodian were to become insolvent or file for bankruptcy, the client could suffer significant losses with respect to any securities held by such firm.

***Overall Investment Risk.*** All securities investments risk the loss of capital. The investment techniques and strategies and the nature of the securities to be purchased and traded by the firm may increase this risk. Many unforeseeable events may cause sharp market fluctuations, which could adversely affect Clients. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political events and trends, changes to tax laws and innumerable other factors, can substantially and adversely affect the performance of the firm and its Clients. None of these conditions will be within the control of the firm. The extent to which Clients will be able to achieve their investment objectives will depend on the ability of the firm to evaluate and develop the information it receives into a successful investment program. The values of the securities and other instruments in which the firm will invest fluctuate, and, therefore, the value of a client's account will fluctuate.

***Unregulated Transactions.*** Instruments traded by the firm will not necessarily be traded on regulated exchanges. As a result, investments may experience price volatility that would not exist if such products were traded on regulated marketplaces. In addition, the absence of regulated exchanges may increase the risks of transacting in the underlying securities, commodities, or derivatives at prices that do not accurately reflect the market clearing price. In addition, the regulation of the municipal bond market is materially less extensive than the regulation of the market for corporate securities. This may increase the risk of loss arising from, among other market distortions, incomplete or incorrect disclosure, market fraud, or manipulation.

## **Item 9. Disciplinary Information**

There are no known legal or disciplinary events that would be material to our clients' evaluation of the firm's advisory business or the integrity of the firm.

## **Item 10. Other Financial Industry Activities and Affiliations**

### ***Material Financial Industry Affiliations of the Firm***

Neither our firm nor any of our directors, officers or principals is registered, or has an application currently pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

Notwithstanding the foregoing, an affiliate of the firm, Capitolis Partners LLC, is registered with the NFA as an introducing broker and may in the future serve as an introducing broker to certain banks that are counterparties to the firm's clients. In addition, a separate affiliate of the firm, Capitolis Global Broker Dealer LLC, has submitted an application to the SEC and FINRA to become a broker-dealer, and that application is currently under review. Certain directors and officers of the firm have applied for registration with FINRA in connection with the broker-dealer application.

The firm is also affiliated with Capitolis Liquid Global Markets LLC, an SEC registered security-based swap dealer. Certain supervised persons of the firm may be registered with or supervised by another regulated entity including the broker-dealer and security-based swap dealer. Our firm does not believe that this relationship creates a material conflict of interest with its clients.

Finally, our firm does not recommend or select other investment advisers for our clients, nor does our

firm have other business relationships with advisers that create material conflicts of interest.

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

### ***Code of Ethics***

We have adopted a Code of Ethics in accordance with SEC requirements. The purpose of our Code of Ethics is to identify the ethical and legal framework in which our firm and its personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding our firm's standard of business conduct. Our Code of Ethics is designed to ensure that all applicable personnel are aware of and adhere to our firm's policies and procedures. The description below is a summary only. We will provide a complete copy of our Code of Ethics to our clients and prospective clients upon request.

***Standard of Business Conduct.*** Our firm and its personnel have a fiduciary duty to our clients, and in this fiduciary capacity, we must place the interests of our clients before our own interests.

***Basic Principles.*** Our Code of Ethics is based on a few basic principles: (i) our firm and its personnel must place the interests of our clients above their own; (ii) the professional activities and personal investment activities of our firm's personnel must be consistent with our Code of Ethics and avoid any actual or potential undisclosed material conflict between the interests of clients and those of our firm or its personnel; (iii) the activities of our firm's personnel must be conducted in a way that avoids any abuse of any such person's position of trust with and responsibility to our firm and clients; (iv) our employees must not take any inappropriate advantage of their positions at our firm; and (v) our firm's personnel may not engage in any act, practice or course of conduct that would violate the provisions of Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and other applicable securities laws.

***Conflicts of Interest.*** As a fiduciary, our firm has an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of our clients. Our firm makes every effort to avoid conflicts of interest and fully disclose all material facts concerning any conflict of interest that may arise with respect to any of our clients. Our firm stresses that individuals subject to our Code of Ethics must try to avoid situations that have even the appearance of conflict or impropriety.

***Insider Trading.*** Our firm's personnel may not trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another person in violation of the law. This policy applies to all of our firm's personnel and extends to their activities both within and outside their duties for our firm. Our firm has also implemented policies and procedures designed to detect and prevent insider trading.

***Personal Securities Transactions.*** All personnel must comply with our firm's policy on personal trading. Except with respect to certain securities (including certain indices, mutual funds, exchange-traded funds and fixed income securities) and with respect to certain accounts for which a person does not exercise investment discretion and in regard to certain automatic or non-volitional transactions, such as dividend reinvestment plans, personal securities transactions by our firm's personnel generally must be pre-approved by our firm's Chief Compliance Officer ("**Pre-Clearance Procedures**").

***Holdings and Transactions Reports.*** Every employee and access person must submit both initial and annual holdings reports to our firm's Chief Compliance Officer that disclose all covered securities held in any personal account. Every employee and access person must also submit a quarterly transaction report to the Chief Compliance Officer for each covered securities transaction in any personal account.

***Reporting of Violations.*** Our firm has implemented policies and procedures whereby our firm's personnel are required to report any violation, apparent violation or potential violation of our Code of Ethics to our

firm's Chief Compliance Officer.

***Review and Enforcement.*** Our firm's Chief Compliance Officer is responsible for ensuring adequate supervision over the activities of all persons who act on our behalf in order to prevent and detect violations of our Code of Ethics by such persons.

### ***Participation or Interest in Client Transactions***

To the extent that the firm's related persons invest in the same securities that the firm or a related person recommends to a client, such practices present a conflict where the firm or its related person is in a position to trade in a manner that could adversely affect the clients. In addition to affecting the firm's or its related person's objectivity, these practices by the firm or its related persons may also harm the clients by adversely affecting the price at which the clients' trades are executed. The firm has adopted the foregoing Pre-Clearance Procedures in an effort to minimize such conflicts, which procedures may result in the denial of permission to execute a transaction if such transaction will have any adverse economic impact on a client. In addition, the Code of Ethics prohibits the firm or its personnel from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer, as discussed below. Trading in employee accounts will be reviewed by the Chief Compliance Officer, compared with transactions for the client accounts and reviewed against the restricted securities list.

To the extent a supervised person of the firm buys or sells securities for a client at or about the same time that such supervised person buys or sells the same securities for its own account, the supervised person must do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the firm or its supervised person to the detriment of the client.

From time to time, subject to client or investment guidelines and restrictions and to the extent we determine it to be in our clients' best interests to do so, our firm is authorized to direct one of our clients to sell investments to another of our clients through an internal cross transaction in which our firm will receive no compensation. Any such transactions will be conducted using a pricing mechanism the firm considers to be fair to both such clients.

To the extent that any of the transactions described above may be viewed as a principal transaction due to the interest of our firm or its affiliates in a purchaser or seller, our firm will comply with the requirements of Section 206(3) of the Advisers Act, and provide written notification to the relevant client and obtain client consent either prior to the principal transaction or prior to its settlement.

In addition, our firm may give advice or take action with respect to investments of one or more of our clients that may not be given or taken with respect to our other clients with similar investment programs, objectives and strategies. Accordingly, our clients with similar investment strategies may not hold the same investments or achieve the same performance. Our firm may also advise our clients with conflicting programs, objectives or strategies. These activities may also adversely affect the prices and availability of other investments held or potentially considered for one or more clients.

## **Item 12. Brokerage Practices**

### ***Selection of Brokers***

Except as limited by any brokerage agreements our clients have entered into, our firm will have authority to select broker-dealers to execute our clients' investment transactions. A firm used to broker our client's transactions may be allocated a portion of our clients' securities transactions, subject to principles of best execution. Our firm may, in its discretion, change its selections of one or more brokers for our clients. If a



client has entered into a brokerage agreement with a broker, we will not direct transactions in such a way as to violate that agreement.

Our firm allocates each client's brokerage business to brokers on the basis of certain considerations, which may include:

- The amount of commission;
- The quality of execution;
- Reputation, financial strength and stability;
- Block trading and block positioning capabilities;
- Willingness to execute difficult transactions;
- Willingness and ability to commit capital;
- Access to underwritten offerings and secondary markets;
- Ongoing reliability;
- Overall costs of a trade;
- Nature of the security and the available market makers;
- Desired timing of the transaction and size of trade;
- Confidentiality of trading activity; and/or
- Market intelligence regarding trading activity.

### ***Research and Soft Dollars***

At this time our firm is not a party to, and does not anticipate entering into, any formal "soft dollar" arrangements. However, our firm has the option to use "soft dollars" generated by our clients to pay for research related services. In the event that our firm utilizes allocations of commission dollars, it will do so solely to pay for products or services that qualify as "research and brokerage services" within the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended.

### ***Aggregation of Orders***

Although not currently applicable, from time to time in the future, our firm may place an aggregated order for execution orders for publicly traded securities for the accounts of two or more of our clients. This practice enables our firm's clients to seek more favorable executions and net prices for the combined order. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day would generally be allocated *pro rata* among the participating clients in accordance with the initial amounts ordered by each client. However, the *pro rata* allocation may be adjusted to avoid having odd amounts of shares held in any client's account or to avoid deviations from any pre-determined minimum/maximum holdings limits established for any client. Each client that participates in the order shall do so at the average price for all the transactions and shall share in commissions or other transaction costs on a *pro rata* basis.

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

Client portfolios are reviewed and monitored periodically by the Head of Investor Solutions, Head of Operations, Director of Operations, Equity Operations Manager, Director of Program Management, Chief Financial Officer and the Controller, each as applicable.

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

Our firm does not, nor do any principals or employees of our firm, receive any economic benefit from non-clients for providing advisory services to our clients.

Our firm is not a party to any arrangement to pay a third party for client referrals.

**Item 15. Custody**

Our firm does not have custody over the assets of our client.

**Item 16. Investment Discretion**

Our firm is provided with discretionary authority to manage the investment accounts of each of our clients as set forth in, and limited by, the terms and conditions of the relevant organizational documents or investment advisory agreement with such client, and by the swap agreements, if any, that such client has entered into.

**Item 17. Voting Client Securities**

Our firm does not vote proxies on behalf of its client due to their investment strategy. In the event our firm does vote proxies on behalf of a client, we will adopt policies and procedures for review of each proxy to determine whether, on consideration of all factors related to the proposal that could affect the value of the investment, any material conflict of interest exists that would inhibit the firm's ability to vote objectively and in the best interests of the relevant client. If a material conflict exists, the firm will determine whether voting in accordance with the voting guidelines set forth in the policies and procedures is in the best interests of the relevant client and, if it is not, will take other appropriate action, which may include giving the client the opportunity to vote the proxy itself.

Upon the adoption of such policies, the firm will provide a copy of its proxy voting policies and procedures to any client upon written request to the firm at the address on the cover page of this brochure. The firm will also provide, upon the request of any client, information regarding the manner in which the firm has voted such client's securities.

**Item 18. Financial Information**

Our firm does not require, nor do we solicit, prepayment of more than \$1,200 in fees per client, six months or more in advance.

Our firm has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients.

Our firm has never been the subject of a bankruptcy petition.