

**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 (referred herein as “Petiole USA”, the “Adviser” or the “Firm”). 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

Set forth below are the main changes that were made to the Adviser's Brochure since the Adviser's last annual update filing of March 31, 2023:

1. Cover Page: Change of the Adviser's business address.
2. Item 4 (Advisory Business):
 - a. Language was added clarifying that the client (Petiole Asset Management AG) to whom the Adviser provides investment advisory services is its Swiss affiliate.
 - b. There was a correction in the number of disciplines/strategies that the Adviser offers (from three to four).
 - c. Language was added that the Adviser is part of a group of companies that are ultimately owned by Abdulmohsin Al Omran. Also, additional affiliates were added.
 - d. The Adviser's regulatory assets under management were updated as of December 31, 2023.
3. Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss): Additional language and risks were added. Specifically, risks relating to:
 - a. No guarantee of returns and possible loss of capital
 - b. General economic, market conditions and financial market fluctuations (*added additional language*)
 - c. Difficulty locating suitable investments (*added additional language*)
 - d. Investments in undervalued securities and assets
 - e. Difficulty in valuing investments
 - f. Cybersecurity and disaster recovery
 - g. Risks of real estate investment (*added additional language*)
 - h. Liquidity risk (*added additional language*)
 - i. Equity securities (*added additional language*)
 - j. Non-U.S. investment risk
4. Item 10 (Other Financial Industry Activities and Affiliations): Additional language was added describing further details as to the Adviser's affiliates.
5. Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading): Additional language was added with regard to the reporting and pre-clearance requirements for personal trading.
6. Item 12 (Brokerage Practices): Additional language was added clarifying the role of the Adviser in the execution of transactions on behalf of its client.
7. Item 17 (Voting Client Securities): Additional language was added providing further detail as to the Adviser's role in voting proxies.

None of the foregoing changes are deemed to be material.

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.

Item 3: Table of Contents

Contents

ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS.....	3
ITEM 4: ADVISORY BUSINESS.....	4
ITEM 5: FEES AND COMPENSATION	5
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	5
ITEM 7: TYPES OF CLIENTS	5
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS	5
ITEM 9: DISCIPLINARY INFORMATION.....	11
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	11
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	12
ITEM 12: BROKERAGE PRACTICES	12
ITEM 13: REVIEW OF ACCOUNTS	13
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION	13
ITEM 15: CUSTODY.....	13
ITEM 16: INVESTMENT DISCRETION	13
ITEM 17: VOTING CLIENT SECURITIES	14
ITEM 18: FINANCIAL INFORMATION	14

Item 4: Advisory Business

Petiole USA, established in 2010, provides non-discretionary investment supervisory services to its Swiss affiliate, Petiole Asset Management AG (“PAM”), in its capacity as sub-advisor. Petiole USA offers advisory services in four disciplines/strategies: private real estate, private equity investments, yielding 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: Petiole USA is part of a group of companies that are ultimately owned by Abdulmohsin Al Omran, which group includes The Family Office Co. BSC(c) (“TFOCO”) which 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 its 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 Zurich (PAM), Hong Kong (Petiole Management (Hong Kong) Limited), Saudi Arabia (The Family Office International Investment Company),

Dubai (The Family Office Co BSC (C) (DIFC Branch)), Cayman Islands (Petiole Manager Ltd. and Petiole Shari'ah Manager Ltd.) 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 TFOCO. PAM was established to operate as an independent asset manager of Swiss collective investment schemes that are 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, 2023, Petiole USA had \$1,065,727,015 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 Petiole USA's operations in the US.

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

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 what it deems to be 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 the recommended investments and in what quantity for its client accounts.

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

Investment Strategies

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. As previously explained, the program is opportunistic and seeks to be nimble based on changing market dynamics. Opportunities are primarily sourced through the Petiole USA Investment Team's global network of relationships, which 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 investment opportunities, perform appropriate due diligence on such investment opportunities, and then, if applicable, 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 investment opportunities into its client portfolios.

Private Equity

The investment objective of the Private Equity strategy is to identify and invest in what Petiole USA deems to be attractive risk adjusted private equity investment opportunities, which are primarily sourced through the Investment Team's global network of relationships that 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 the opportunities, perform appropriate due diligence, and, if applicable, 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 investment opportunities into its client portfolios.

Yielding

The investment objective of the Yielding investment strategy is to identify and invest in what Petiole USA deems to be attractive risk adjusted opportunities that offer current cash yield. Such opportunities are primarily sourced through the Investment Team's global network of relationships that consists of 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 opportunities, perform appropriate due diligence, and recommend, if applicable, 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 its client portfolios.

Financial Institutions Restructuring

In relation to Financial Institutions Restructuring strategy, 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 it believes 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 seeking investments 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. If deemed appropriate or necessary, 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 due 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 due 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 investments involve 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.

No Guarantee of Returns; Possible Loss of Capital – There are no assurances that the investments recommended by Petiole USA will be profitable and will not incur losses including possible loss of all capital invested.

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 for such portfolio company.

General Economic, Market Conditions and Financial Market Fluctuations – The success of Petiole USA's investment strategies will be affected by general economic and market conditions, including, but not limited to, interest rates and currency fluctuations, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws and regulatory requirements (including laws relating to taxation of contemplated investments), trade barriers, currency exchange controls and domestic and international political circumstances (including wars, terrorist acts or security operations). These factors may adversely affect Petiole USA's ability to source attractive investment opportunities, the pricing of such investment opportunities, the value of investments held by PAM's client accounts and the ability to exit or monetize investments. Investments in real estate and portfolio companies are subject to the general risks associated with the underlying businesses, including certain of the foregoing mentioned risk .

Difficulty Locating Suitable Investments – There are no assurances that the strategies of Petiole USA will succeed or that investment objectives will be achieved. The success of investment strategies may depend on Petiole USA's ability to (i) source quality investment opportunities and (ii) identify and capitalize on inefficiencies in the markets. No assurance can be given that Petiole USA will be able to source such investment opportunities or effectively capitalize on inefficiencies in the markets. Petiole USA may fail to identify successful investment opportunities as identifying undervalued securities and other assets is difficult. Furthermore, certain investments may require that they be held for a substantial period of time before realizing any anticipated value. 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.

Investments in Undervalued Securities and Assets. Petiole USA will recommend investments in securities, assets and portfolio companies that it believes are undervalued. The identification of investment opportunities in undervalued securities, assets and portfolio companies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from such investments may not adequately compensate for the business and financial risks assumed. Petiole USA may make certain investment recommendations which it believes to be undervalued; however, there are no assurances that any such investments will in fact be undervalued.

Difficulty in Valuing Investments - Certain securities or assets owned by PAM's client accounts are not publicly traded and therefore the valuation of such investments could be difficult given the inherent lack of price transparency. For such investments Petiole USA may provide fair valuation estimates. When estimating fair value, following its Valuation Policy, 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; however, there are no guarantees that Petiole's assessment of the values of such investments will be accurate or generate positive returns.

Business and Regulatory Risks - Legal, tax and regulatory changes could occur that may adversely affect the investments held by PAM's client accounts that Petiole USA provides investment advice on. 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 PAM's client accounts. 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 investment portfolios on behalf of PAM, and, for those and other reasons, could have a material adverse effect on PAM and its client accounts. 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 investment 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.

Cybersecurity and Disaster Recovery. Cyber incidents affecting Petiole USA, its affiliates and various service providers have the ability to disrupt and impact business operations, potentially resulting in financial losses, interference with the Firm's ability to value its client's securities or other investments, impediments to

trading, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of invested securities, counterparties to transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. In addition, substantial costs may be incurred to prevent any cyber incidents in the future. While business continuity plans and risk management systems are designed to prevent and mitigate cyber incidents and other disasters, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Petiole USA has limited cyber security and disaster recovery plans for its operations and relies on certain of its affiliates for some key operational functions, who in turn may also have limited cyber security and disaster recovery plans, which could negatively impact PAM and its clients.

Business, Terrorism and Catastrophe Risks – Petiole USA’s Client 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 the investment portfolios of PAM that include investments monitored and advised by Petiole USA.

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

Risks of Real Estate Investment - There is no assurance that real estate investments will be profitable or that cash from such investments will be available for distribution to investors. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. 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. Investing in real estate is subject to cyclicity and other uncertainties. There can be no assurance as to the performance of real estate investments in a weaker market or weakened economy. The cyclicity and leverage associated with real estate-related investments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other investments.

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 such investments are paid to investors multiple years after they invest. A variety of factors, including domestic and international economic conditions, asset conditions, political and regulatory considerations, and public opinion, may impact the ability to buy or sell investments on favorable terms, if at all. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, it may be difficult to sell such securities. Consequently, investments in such securities may need to be sold at prices lower than if the securities were widely held or more actively traded. In addition, such investments may not be able to be sold at all, resulting in a total loss. Finally, dispositions

of such investments that are subject to limitations on transfer tend to adversely affect the terms obtainable upon a disposition.

Lack of Control – Private equity investments may involve holding a non-controlling interest in a portfolio company, and therefore, such investment may have a limited ability to protect the interest in the portfolio company or influence the creation of value at the portfolio company.

Co-Investment Risk – Petiole USA's Client, on behalf of its clients, may invest alongside strategic, financial or other third-party co-investors. The ability of PAM to achieve certain co-investment objectives assumes that it 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 PAM's clients.

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 PAM client investments, Petiole USA generally will not have the opportunity to evaluate the specific investments made by any underlying PAM client and will not have an active role in the day-to-day management of the underlying client. 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 makes equity investment recommendations that are 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. Equity investments are volatile and will increase or decrease in value based upon issuer, economic, market and other factors. Small capitalization stocks generally involve higher risks in some respects than do investments in stocks of larger companies and may be more volatile. The securities of non-U.S. issuers also involve a high degree of risk because of, among other factors, the lack of public information with respect to such issuers, less governmental regulation of stock exchanges and issuers of securities traded on such exchanges and the absence of uniform accounting, auditing and financial reporting standards. The non-U.S. domicile of such issuers and currency fluctuations may also be factors in the assessment of financial risk to the investor. Foreign securities markets are often less liquid than U.S. securities markets, which may make the disposition of non-U.S. securities more difficult. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile.

Non-U.S. Investment Risk - Investment in non-U.S. issuers or securities principally traded outside the United States may involve certain unique risks due to economic, political, and legal developments, including but not limited to favorable or unfavorable changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject and the imposition of withholding taxes on dividend or interest payments.

Concentration of Investments; Limited Diversification - Petiole USA's investment strategies may result in PAM client accounts 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 - Investment recommendations by Petiole USA to 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 on behalf of PAM 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 recommend investments 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 to produce results 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, an investment may be required to be sold 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 recommended 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 recommend securities for which no market exists or that have restricted transferability under Federal or state securities laws. The disposal of these securities may only be effected 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 an adviser. 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 is affiliated with other companies that provide investment management services; however, these companies, while registered with other regulators, are not registered as investment advisers with the United States Securities and Exchange Commission ("SEC"). Currently, Petiole USA's investment adviser affiliates include:

- 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, Petiole Asset Management AG, is licensed and regulated by FINMA.
- Petiole USA's Bahrain affiliate, The Family Office Co BSC (c), is licensed and regulated by the Central Bank of Bahrain.
- Petiole USA's United Arab Emirates' affiliate, The Family Office Co BSC (c) (DIFC Branch), is licensed and regulated by the Dubai Financial Services Authority.
- Petiole USA's Cayman Islands affiliates, Petiole Manager Limited and Petiole Shari'ah Manager Limited, are regulated by the Cayman Islands Monetary Authority.

As previously stated, Petiole USA currently only provides investment advisory services to its affiliate, PAM, which is the sub-delegated investment manager to all the funds previously sub-advised by TFOCO, including funds operated by Petiole Manager Limited and Petiole Shari'ah Manager Limited, Petiole USA's Cayman Islands affiliates.

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, to avoid any potential conflicts of interest involving personal trading, Petiole USA has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for the portfolio 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 monitoring the personal securities transactions of employees who have access to client information ("Access Persons"). The Firm collects and maintains records of securities holdings and transactions made by Access Persons. Access Persons are required to report all trading accounts and transactions on a quarterly and annual basis. In addition, all Access Persons must pre-clear and obtain approval prior to effecting a transaction in any Reportable Security (as defined in the Code of Ethics) for their personal trading accounts. Generally, Access Persons may not purchase or sell securities that are recommended to PAM. The Firm reviews the personal trading of its Access Persons to identify and resolve any potential or realized conflicts of interest as well as any violations of its Code of Ethics. 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 brokers/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 brokers/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.

As instructed by PAM, Petiole USA will effect the execution of the transactions for PAM's client accounts, none of which are U.S. persons. When possible, orders for the same security are combined or "batched" to facilitate best execution concerns. In an investment opportunity is approved by PAM for execution, 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 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 has discretion, however, to 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 has discretion to 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 broker/dealer selection process are the brokers'/dealers' ability to execute transactions, market making ability, and commission rates. While Petiole USA receives research from brokers/dealers, it currently does not have any soft dollar or commission sharing arrangements in place. 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 brokers/dealers. Trades may be aggregated for PAM's client accounts of, and all such client 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 investment in a portfolio company.

Item 14: Client Referrals and Other Compensation

As Petiole USA's only client is PAM, Petiole USA does not directly or indirectly compensate others for client referrals nor does it receive direct or indirect compensation outside of that earned from its advisory services to PAM.

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 of PAM.

Item 16: Investment Discretion

Petiole USA does not maintain discretionary authority to make investment decisions. Petiole USA makes recommendations to PAM for its client accounts. PAM maintains ultimate discretionary authority and determines if such recommendations will be implemented for its respective client accounts.

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 its Client on the board, and recommend to its Client the appropriate actions to take to maximize value and minimize risk. With regard to the Financial Institutions Restructuring strategy, public market securities will require regular voting activities. Petiole USA may receive proxies and other solicitations from the custodians and transfer agents of PAM's client accounts. However, Petiole USA has no authority to vote such proxies and, therefore, will forward said proxies to PAM along with advice or recommendation as to how to vote.

Petiole USA does not direct the participation in class actions. Any notices of class actions received by Petiole USA will be forwarded to PAM 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 a client's decision in choosing an investment adviser. As of the date of this brochure, Petiole USA does not require the pre-payment of fees and does not have any financial hardships or other conditions that might impair its ability to meet its contractual obligations to its Client.