



## Firm Brochure

Pulse Capital Partners Management, LLC

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This Brochure provides information about the qualifications and business practices of Pulse Capital Partners Management, LLC. If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer (the "CCO"), Kimia Setoodeh, at 212.430.1880 or, by email, at [ksetoodeh@pulsecp.com](mailto:ksetoodeh@pulsecp.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.

The Investment Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Pulse Capital Partners Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: MATERIAL CHANGES**

Pulse Capital closed down a discretionary and a non-discretionary product in 2016 and intends to launch new in-house products in 2017 for which it will be the investment manager. Pulse Capital may file an ADV-W to withdraw its registration with the SEC within the next 90 days, unless it meets the eligibility requirements.

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## **ITEM 4: ADVISORY BUSINESS**

### **GENERAL DESCRIPTION OF ADVISORY FIRM**

Pulse Capital Partners Management, LLC (“Pulse Capital,” “we,” “the Adviser,” or “our”) is a Delaware limited liability company which was incorporated in the State of Delaware in October 2011 and which is 100% owned by Pulse Capital Partners, LLC. Both entities have offices in New York, NY, U.S.A. The majority of Pulse Capital Partners, LLC’s equity is owned by Gary S. Long and Ibrahim Gharghour, the firm’s two Managing Partners. In addition to its status as an SEC-registered investment adviser, Pulse Capital is also registered as a Commodity Trading Advisor (“CTA”) with the National Futures Association (“NFA”).

### **DESCRIPTION OF ADVISORY SERVICES**

Pulse Capital is a specialized alternative asset management firm providing investment management services.

Pulse Capital offers investment management services to single-investor managed accounts which would be developed as customized portfolios of hedge funds for institutional investors (the “CPS Business”).

### ***CUSTOMIZED PORTFOLIO SOLUTIONS BUSINESS***

Pulse Capital offers investment management services to separately managed accounts through its customized portfolio solutions (“CPS”). The CPS Business will work closely with institutional investors to understand their portfolio objectives and create multi-manager managed account portfolios that address the investment and operational needs of the individual investors. Investments into managers are generally made via segregated managed accounts. Separately managed CPS accounts will typically allocate assets to one or several investment managers (“Managers”) to manage. Pulse Capital, on behalf of clients, may place reasonable restrictions on the types of investments made on the behalf of the client, or establish investment guidelines with Managers which could, among other things, limit exposures, leverage, drawdowns and securities traded. These guidelines will be constantly monitored by Pulse Capital and the managed account platform provider.

### **ADDITIONAL INFORMATION**

Pulse Capital seeks both emerging and established managers as investment opportunities for the CPS managed accounts. For its CPS Business, as offered, Pulse Capital will generally use a multi-strategy platform, which could include any hedge fund strategy, including a multi-manager strategy.

Pulse Capital seeks to produce returns with moderate volatility and limited downside risk and will select Managers accordingly. The investment strategies Pulse Capital pursues in both the Hedge Fund Business and the CPS Business are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved. There are no fixed guidelines as to portfolio

diversification, and therefore asset allocation will reflect Pulse Capital's views as to current and prospective market conditions and investment opportunities for various strategies at any given time.

## **ASSETS UNDER MANAGEMENT**

As of December 31, 2016, Pulse Capital had no capital in discretionary and in non-discretionary assets.

## **ITEM 5: FEES & COMPENSATION**

### **CUSTOMIZED PORTFOLIO SOLUTIONS BUSINESS**

The holders of CPS separately managed accounts will pay Pulse Capital a management fee ranging from 0.5% to 1.5% of the net asset value under management at the end of each month, each fiscal quarter or the end of the fiscal year, depending on arrangements with individual investors and depending on how such fees will be paid to underlying Managers. In addition to the management fee, Pulse Capital or one of its affiliated entities may also charge a performance fee of up to 25% of the net profits each account, subject to a loss carry forward provision, payable either at the end of each fiscal quarter or at the end of the fiscal year. Fees are always charged in arrears.

In the sole discretion of Pulse Capital, Fees may be waived, reduced or calculated differently with respect to certain investors, and fees are generally negotiable. In instances where a separately managed account includes investments into a Fund managed by Pulse Capital, the managed account will be charged a pro-rated management and performance fee that does not include fees for investments in such a Fund.

Fees and compensation paid to Pulse Capital by the holders of the separately managed accounts will be deducted from the accounts. In addition to fees paid to Pulse Capital, investors in separately managed Accounts will generally be subject to fees charged by the Managers to whom assets are allocated to be managed.

Each account will bear any additional expenses, including, but not limited to, investment expenses, legal expenses, custody fees, external accounting, audit and tax preparation expenses, taxes, and other fees.

### **ADDITIONAL COMPENSATION**

Supervised persons of Pulse Capital are authorized to accept compensation (e.g., brokerage commissions) for the sale of securities or other investment products through their affiliation with Groton Securities LLC ("Groton"). However, the majority of the supervised persons associated with Groton are not the persons determining portfolio allocations or making investment decisions for the CPS Business and are not compensated based on the performance of the CPS Business. Pulse Capital will implement policies and procedures to ensure that portfolio allocation and investment decisions are not affected by any compensation that supervised persons associated with Groton may receive. Please see Item 10 for further discussion of Pulse Capital's relationship with Groton.

## **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

This section is not applicable to Pulse Capital.

## **ITEM 7: TYPES OF CLIENTS**

Although persons or entities that have a CPS managed account must be “qualified purchasers,” generally they are not themselves Pulse Capital’s clients.

### **REQUIREMENTS FOR OPENING OR MAINTAINING ACCOUNTS**

Pulse Capital requires an initial minimum investment ranging from \$25 million to \$100 million to open a CPS account. This minimum investment requirement is negotiable.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

Pulse Capital has an Investment Committee which has the overall responsibility for the operational and investment due diligence reviews done to choose managers for Pulse Capital’s CPS Business. When identifying managers, Pulse Capital often, but not exclusively, seeks emerging hedge fund managers. There are no fixed guidelines as to portfolio diversification, and therefore asset allocation will reflect Pulse Capital’s views as to current and prospective market conditions and investment opportunities for various strategies at any given time.

Pulse intends to launch a hedge fund that employs diversified and uncorrelated strategies with in-house portfolio managers each possessing extensive portfolio manager experience and specific style, strategy, and sector-level expertise. The intended launch will be a single hedge fund that will employ a number of diversified, uncorrelated strategies, which will seek to leverage Pulse’s investment history through the development of a multi-portfolio manager, multi-strategy vehicle. The product will employ various uncorrelated strategies across the global developed markets. It is designed to minimize exposure concentration in any type of security, asset class, and geographical location. Additionally, Pulse will employ its existing infrastructure and will engage additional resources to provide managers with comprehensive operations and compliance support, while portfolio managers will focus on constructing robust portfolios. The risk management will be defined at all levels (position, portfolio manager/strategy, and fund) to minimize risk, including counterparty, liquidity, and market risk, and the firm will impose drawdown limits on all three levels. Risk management will be conducted by a separate risk management team to ensure reduced conflict of interest.

## **MATERIAL, SIGNIFICANT, OR UNUSUAL RISKS RELATING TO INVESTMENT STRATEGIES**

For the CPS accounts, Pulse Capital seeks to produce returns with moderate volatility and limited downside risk and will trade accordingly; however, any investment through CPS accounts is subject to significant risks, including the loss of all or a substantial portion of the investments. Certain of the CPS accounts partially or exclusively rely on commodities or managed futures fund strategy, which presents the same risks as direct trading in commodities or managed futures. The investment strategies Pulse Capital pursues in the CPS Business are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved. There are no fixed guidelines as to portfolio diversification, and therefore asset allocation will reflect Pulse Capital's views as to current and prospective market conditions and investment opportunities for various strategies at any given time.

In addition to the general risks outlined above, Investors should consider the following specific risk factors:

- Investments in or linked to hedge funds are highly speculative and may be highly volatile. This applies to all CPS accounts, where the strategy, as outlined above, also includes significant hedge fund exposure.
- Opportunities for redemption and transferability of interests are restricted, so investors may not have access to capital when it is needed. In CPS investments generally, there may be limited opportunities for redemptions, transfer or other liquidation of investments. Under the terms of the governing documents of the CPS underlying funds, the ability to redeem any amount invested therein may be subject to certain restrictions and conditions, including restrictions on the redemption of shares for an initial period, restrictions on the amount of redemptions and the frequency with which redemptions can be made, and investment minimums which must be maintained. Additionally, certain CPS Business underlying funds may reserve the right to reduce ("gate") or suspend redemptions.
- There is no secondary market for investors' interests in the underlying funds in the CPS Business and none is expected to develop.
- CPS Business results may vary substantially on a monthly or annual basis. For example, events in the world financial markets, such as a severe economic downturn globally may materially adversely affect the CPS, as well as potentially limiting the ability to fully exercise its redemption due to the imposition of "gates", suspensions of redemptions and distributions in kind.
- Investments in or linked to commodities are highly speculative and may be highly volatile. In the CPS accounts, the strategies may include exposure to commodities.

For additional information, investors should carefully review the offering documents for the underlying funds in the CPS in which they wish to invest into with particular emphasis on the investment strategy, risk factors, and conflicts of interest sections. Investors should also consult their legal and tax advisers before making an investment decision.

## **ITEM 9: DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that Pulse Capital considers to be material to a client's or prospective client's evaluation of Pulse Capital's advisory business or the integrity of Pulse Capital's management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

### **BROKER-DEALER REGISTRATION STATUS**

Pulse Capital and its management persons are not registered as broker dealers; however, certain associated persons of Pulse Capital are affiliated with Groton (see Item 5 for compensation-related disclosures), through which it currently manages approximately \$184 million in AUM. Groton serves as a placement agent for certain of Pulse Capital's Funds. Pulse Capital has entered into several agreements with Groton and Groton's parent, Groton Partners LLC. Pursuant to these agreements Pulse Capital receives certain administrative and support services. Pulse Capital also has the right to ask Groton to permit associated persons of Pulse Capital to register as representatives of Groton to permit such associated persons to participate in marketing activities on behalf of privately offered funds with whom Pulse Capital has a sub-advisory or other relationship (the "Investment Vehicles"). Groton has also agreed to enter into placement agent or similar agreements with the Investment Vehicles. Pulse Capital pays Groton a fixed monthly fee which covers all of the services provided to Pulse Capital by Groton. Groton has agreed that any revenue earned by Groton with respect to activities performed by Groton for Pulse Capital or the Investment Vehicles, which activities are not required to be performed by a registered broker-dealer, will be passed through by Groton to Pulse Capital, and any revenue earned by Groton with respect to activities performed by Groton for Pulse Capital or the Investment Vehicles, which activities are required to be performed by a registered broker-dealer, will be paid to associated persons of Pulse Capital who are also registered representatives of Groton.

### **FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR COMMODITY TRADING ADVISER REGISTRATION STATUS**

Pulse Capital is also registered as a Commodities Trading Adviser with the NFA.

### **MATERIAL RELATIONSHIPS OR ARRANGEMENTS WITH INDUSTRY PARTICIPANTS**

Please see Item 10(A) above regarding our affiliation with Groton Securities LLC.

Through its parent company Pulse Capital Partners, LLC, Pulse Capital is under common control with Pulse Capital Partners GP, LLC, an entity that is registered as a Commodities Pool Operator with the NFA. Pulse Capital Partners GP, LLC acts as the general partner for funds that Pulse Capital manages.

### **MATERIAL CONFLICTS OF INTEREST RELATING TO OTHER ADVISERS**

This section is not applicable to Pulse Capital.



## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, & PERSONAL TRADING**

### **CODE OF ETHICS**

Pulse Capital has adopted a comprehensive Code of Ethics. Pulse Capital is committed to conducting its investment advisory business in accordance with the highest legal and ethical standards in furtherance of the interests of its clients, and in a manner that is consistent with all applicable laws, rules and regulations. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

### **CONFLICTS OF INTEREST**

As a registered investment adviser, Pulse Capital has a fiduciary relationship with any separately managed accounts. Therefore, all supervised persons must carry out their duties solely in the best interests of its clients and free from all compromising influences and loyalties. Under no circumstances may supervised persons use confidential information about an underlying fund in the CPS Business, or an actual or potential investment in an underlying fund in the CPS Business for personal benefit. Supervised persons may not divulge such confidential information to any person except in the course of performing duties on behalf of the company. The same standards apply to any supervised person who handles separately managed accounts. All Pulse Capital personnel are expected to be knowledgeable about the privacy policy and adhere to it.

### **INVESTING IN SECURITIES RECOMMENDED TO CLIENTS**

As part of Pulse Capital's Code of Ethics, which applies to Pulse Capital and its affiliates, Pulse Capital has adopted a comprehensive Personal Account Dealing and Outside Business Interest. With the approval of either the CCO or the CEO, an employee may acquire for his or her own proprietary account single name securities (e.g. stock, bond, or derivative of any single issuer) or non-single issues securities (e.g. foreign exchange, equity or debt indices, mutual funds, or annuities). Employees may invest in third party investment managers (i.e. private equity or hedge fund investments) to the extent such investment is approved by one of Pulse Capital's Managing Partners or the CCO. Accounts over which an employee has no direct or indirect influence or control are not subject to the trading policies set forth above.

In addition to the trading policies described above, our Code of Ethics also covers the following topics: insider trading, conflicts of interest, political activities and contributions, privacy policy and outside business activities. With regard to any outside affiliations, employees must request the approval of the CCO or a Managing Partner before accepting any directorship of any public or private entity or foundation.

### **CONFLICTS OF INTEREST CREATED BY CONTEMPORANEOUS TRADING**

In certain instances, there may be contemporaneous trading in the same securities by CPS accounts. To mitigate any potential conflicts of interests, Pulse Capital will implement policies

and procedures to ensure that such accounts are treated fairly, including pro-rata allocations between accounts for securities with limited availability.

## **ITEM 12: BROKERAGE PRACTICES**

### **FACTORS CONSIDERED IN SELECTING OR RECOMMENDING BROKER-DEALERS FOR CLIENT TRANSACTIONS**

Pulse Capital does not engage in the trading of individual securities (stocks, bonds, options, etc.)

### **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

This section is not applicable to Pulse Capital.

### **BROKERAGE FOR CLIENT REFERRALS**

Pulse Capital does not consider client referrals in selecting or recommending broker-dealers.

### **DIRECTED BROKERAGE**

This section is not applicable to Pulse Capital.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **FREQUENCY AND NATURE OF REVIEW OF CLIENT ACCOUNTS OR FINANCIAL PLANS**

Pulse Capital's Investment Team along with other staff perform various daily, weekly, monthly, quarterly and periodic reviews of the CPS accounts, where applicable.

### **FACTORS PROMPTING REVIEW OF CLIENT ACCOUNTS OTHER THAN A PERIODIC REVIEW**

In addition to the regular reviews (daily in the case of separately managed accounts), a review of a client account may be triggered by any unusual activity or special circumstances.

### **CONTENT AND FREQUENCY OF ACCOUNT REPORTS TO CLIENTS**

Clients with CPS accounts will have individually negotiated reporting and will receive information on its investment pursuant to pre-agreed guidelines.

## **ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION**

### **ECONOMIC BENEFITS FOR PROVIDING SERVICES TO CLIENTS**

Pulse Capital does not receive any economic benefit from non-clients for providing investment advice and other advisory services to clients.

### **COMPENSATION TO NON-SUPERVISED PERSONS FOR CLIENT REFERRALS**

In accordance with applicable federal and state regulations, we may compensate persons for soliciting prospective investors for, or referring prospective investors to, the underlying funds in the CPS accounts, through arrangement with Groton Securities LLC and other broker-dealers.

## **ITEM 15: CUSTODY**

Pulse Capital is subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to the Fund because it complies with the provisions of the so-called “Pooled Vehicle Audit Exception”, which, among other things, requires an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the any fund distribute its audited financial statements to all investors within 180 days of the end of its fiscal year.

## **ITEM 16: INVESTMENT DISCRETION**

Pulse Capital serves as an investment manager, and we enter into an advisory agreement with the client which provides us with non-discretionary authority to advise the client subject to pre-agreed investment criteria.

## **ITEM 17: VOTING CLIENT SECURITIES**

### **THIS SECTION IS NOT APPLICABLE TO PULSE CAPITAL. ITEM 18: FINANCIAL INFORMATION**

Registered Investment Advisers are required to provide you with certain financial information or disclosures about the Firm’s financial condition. Pulse Capital is not aware of any financial condition or commitment reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time.

## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

This item is not applicable.