

Item 1 – Cover Page

Pier 88 Investment Partners, LLC  
230 California Street, Suite 410, San Francisco,  
CA 94111

January 15, 2016

This firm brochure (“Brochure”) provides information about the qualifications and business practices of Pier 88 Investment Partners, LLC (“Pier 88” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at [jfertitta@pier88.com](mailto:jfertitta@pier88.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Pier 88 is a registered investment adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provide you with information based on which you determine to hire or retain an Investment Adviser.

Additional information about Pier 88 also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

This is the first Part 2A of Form ADV Pier 88 Investment Partners, LLC has filed. This item is inapplicable. This brochure should be read in its entirety.

### Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 -Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	2
Item 6 – Performance-Based Fees and Side-By-Side Management .....	3
Item 7 – Types of Clients.....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9 – Disciplinary Information .....	11
Item 10 – Other Financial Industry Activities and Affiliations .....	11
Item 11 – Code of Ethics .....	11
Item 12 – Brokerage Practices .....	13
Item 13 – Review of Accounts.....	15
Item 14 – <i>Client</i> Referrals and Other Compensation .....	15
Item 15 – Custody.....	16
Item 16 – Investment Discretion.....	17
Item 17 – Voting Client Securities.....	17
Item 18 – Financial Information .....	17
Item 19 – Requirements for State-Registered Advisers.....	18

#### **Item 4 – Advisory Business**

##### **A. Description of the Advisory Firm**

Pier 88 Investment Partners, LLC (“Pier 88” or the “Firm”), is a Delaware limited liability company and is the investment manager to the Clients, as defined below. Pier 88 commenced providing services in October 2013 and is headquartered in San Francisco, California. The Firm’s principal owner is Francis Thomas Timons.

##### **B. Types of Advisory Services**

Pier 88 provides discretionary investment advice and management to private investment funds, the securities of which are offered to investors on a private placement basis. The private placement funds include Lake Geneva Master Fund, L.P. (the “Master Fund”) a Cayman Island entity of which Pier 88 is the investment manager, Lake Geneva Fund, L.P. (the “Onshore Fund”), and Lake Geneva Offshore Fund LTD (the “Offshore Fund”). Jointly the funds are referred herein as the “Funds” or “Clients”.

Pier 88’s investment objective is to generate above-average absolute returns while being mindful of risk in a portfolio consisting principally of stocks and convertible bonds in the technology and healthcare sectors. Within these two sectors, Pier 88 seeks to identify securities with intrinsic values that are underappreciated. Pier 88’s primary focus will be to identify securities of companies that offer strategic value to multiple industry participants and may likely become targets for industry consolidation. Pier 88 relies heavily on fundamental research, quantitative techniques, and strategic analysis to identify candidates for the Master Fund.

Please see Item 8 in this brochure for a more detailed description of the investment strategies pursued by the Funds.

##### **C. Client Tailored Services and Client Imposed Restrictions**

Advisory services are tailored to achieve the Funds’ investment objectives, but not tailored to the individual needs of Investors. Generally, with respect to the Funds, Pier 88 has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Funds or their Investors.

##### **D. Wrap Fee Programs**

Pier 88 does not participate in wrap-fee programs.

##### **E. Amounts under Management**

As of November 30, 2015, Pier 88 managed approximately \$35,250,000 in regulatory assets under management on a discretionary basis. Such amount is preliminary and unaudited.

## **Item 5 – Fees and Compensation**

### **A. Fee Schedule**

#### **1. Advisory Fee**

The Master Fund will pay Pier 88 a quarterly “Management Fee,” determined by applying the quarterly equivalent of a “Management Fee Rate” to the Net Asset Value per Share of each outstanding Series B Share as of the beginning of the relevant quarter. The Management Fee Rate for Series B Shares will equal 1.5% per annum. Series A Shares will not bear Management Fees.

If a Shareholder purchases Series B Shares on a date other than the first day of a quarter, the Master Fund will pay Pier 88 a prorated Management Fee as to those Shares. Pier 88 may vary the Management Fee as to particular Shareholders by separate agreement, without notice to the other Shareholders.

#### **2. Incentive Allocation**

Calculation. Through “Incentive Allocations” the Master Fund makes to Pier 88 as the Master Fund’s general partner, Pier 88 will be entitled to, in effect, share in the appreciation in value of each Share. To facilitate its calculation of Incentive Allocations the Master Fund will maintain separate sub-accounts of the Fund’s general account, each corresponding to a particular Sub-Series of Shares, as if the Fund made a separate investment in the Master Fund in respect of each Sub-Series.

The Master Fund will calculate Incentive Allocations separately as to each of those sub-accounts and the Fund will allocate the economic impact of those separate allocations to the corresponding Sub-Series. For convenience only, this refers in some places to Incentive Allocations “as to” particular Shares or Sub-Series, even though the Master Fund, and not the Fund, will make Incentive Allocations; no Shareholder will be a partner in the Master Fund. The Master Fund will make Incentive Allocations (to the extent earned) at each December 31 and, if Shares are redeemed other than at a December 31, at the times of Lake Geneva Offshore Fund Ltd. those redemptions, but only as to the amounts the Fund withdraws from the Master Fund in order to effect those redemptions. An Incentive Allocation will generally equal 15% of the appreciation in the relevant Shares’ Net Asset Values for the relevant period, subject to the loss carryforward procedure described below. However, as to Series A Shares, the Incentive Allocation rate will be 10%.

### **B. Payment of Fees**

Advisory fees, incentive allocations, and third-party fees (discussed below) are deducted or allocated, as the case may be, directly from Client assets. Advisory fees, which are paid in advance, are withdrawn at the beginning of the month. Incentive allocations are allocated as of the close of business on the last day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor’s capital account(s).

### C. Third Party Fees

The Clients shall pay such costs and expenses as Pier 88 shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) advisory fees; (ii) all general investment expenses (i.e., expenses which Pier 88 reasonably determines to be directly related to the investment of a Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation; (iv) fees, costs and expenses of third-party service providers that provide such services; and, (v) any extraordinary expenses, among other expenses.

Pier 88's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to Pier 88's advisory fee, and Pier 88 shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure for more information about Pier 88's brokerage arrangements for its Clients.

### D. Prepayment of Fees

Pier 88 generally does not permit withdrawals on dates other than the last day of each calendar quarter. In the event that Pier 88 makes an exception to this policy. The Firm will pro rate the prepaid management fee and refund the investor for fees paid for less than a full quarter.

### E. Outside Compensation for the Sale of Securities

Neither Pier 88 nor its supervised persons accepts compensation for the sale of securities or other investment products outside of its association with Pier 88.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As discussed in Item 5.A., in addition to advisory fees, Clients pay or allocate to Pier 88 an incentive allocation.

The incentive allocation may provide a possible incentive for Pier 88 to make riskier or more speculative investments on behalf of a Client than those which would be recommended under a different fee arrangement. In addition, this arrangement may cause Clients to pay a greater expense than if such fees were not charged. Notwithstanding this potential incentive, Pier 88 will evaluate investments in a manner that it considers to be in the best interest of the Clients, given those Clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

To the extent that there may be differences in Pier 88's compensation arrangements with its Clients, such circumstances could create an incentive for Pier 88 to manage Client portfolios so as to favor a portfolio that pays performance-based compensation over one that did not.

Notwithstanding this conflict, Pier 88 will allocate transactions and opportunities among the Clients' accounts in a manner it believes to be as equitable as possible, considering each Client's objectives, programs, limitations and capital available for investment.

The performance-based compensation with respect to the Clients is calculated taking into account unrealized gains and determined in relation to the net asset value of such Clients (such net asset value to be determined by the administrator), therefore Pier 88 may be biased when reviewing valuations of the net asset value of such Clients.

The foregoing responses to Items 5 and 6 represent Pier 88's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws.

### **Item 7 – Types of Clients**

Pier 88 provides discretionary investment advice and management to the Funds. The Funds offer Shares to a limited number of qualified institutional and high net worth investors. Shares are generally offered only to non-"U.S. Persons" and a limited number of U.S. Persons that are (i) "qualified clients" as defined in Rule 205-3 under Section 205 of the Advisers Act, (ii) "accredited investors" within the meaning of certain regulations under the Securities Act, and (iii) exempt from U.S. federal income taxation. The Fund reserves the right to impose additional requirements for subscription by particular types of investors (including if it determines the Fund should rely on Section 3(c)(7) rather than Section 3(c)(1) of the Investment Company Act to prevent regulation under that Act) and investors resident in particular jurisdictions, and may decline to accept the subscription of any prospective investor.

The Fund may waive certain of these standards in limited circumstances and may apply additional admission standards. Each prospective investor must represent and warrant in its Subscription Application that, among other things, it has reviewed and understands the risks of an investment in Shares and has the financial knowledge and experience to evaluate such investment. In addition to being financially sophisticated, each prospective investor must be able to bear the substantial risks of an investment in Shares, including the loss of the entire investment. The minimum investment commitment is \$250,000, subject to waiver at the discretion of Pier 88.

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

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

The Fund (through its investment in the Master Fund) seeks to generate above-average absolute returns while being mindful of risk in a portfolio consisting principally of stocks and convertible bonds in the technology and healthcare sectors. Within these two sectors, Pier 88 seeks to identify securities with intrinsic values that are underappreciated. Pier 88's primary focus will be to identify securities of companies that offer strategic value to multiple industry participants and may likely become targets for industry consolidation. Pier 88 will rely heavily on fundamental

research, quantitative techniques, and strategic analysis to identify candidates for the Master Fund.

In developing investment candidates for the Master Fund, Pier 88 draws on extensive industry experience and a broad network. Pier 88 maps industry ecosystems to better understand the relative strategic position of industry participants. Pier 88 generally does not intend to cause the Master Fund to make an investment in any one company which would exceed 5% of the Master Fund's net asset value (measured at the time of the investment.) Pier 88 does not anticipate allowing positions to grow to greater than 10% of the Master Fund's net asset value through appreciation. Pier 88 seeks to identify industry winners and losers, while investing in longer-term winners. As a result, the Master Fund could have short positions on a basket of industry names (*e.g.*, industry or sector specific exchange traded fund) to serve as a macro hedge against stock market risk associated with the Master Fund's long positions. The Master Fund will not be managed to fully eliminate all stock market risk.

Pier 88 has broad discretion to employ a wide variety of investment techniques, even if they involve changes in or differ from the approaches described in this memorandum or in use by the Master Fund at any particular time. The Master Fund's investment activities will entail substantial risks. Neither the Fund nor Pier 88 can provide any assurances that the Fund will achieve its objective over any particular period or at all, or that it will not incur losses.

#### B/C. Risks of Investments and Strategies Utilized

All investment and trading activities risk the loss of capital. The following describe some of the risks to which the Master Fund's portfolio will, or may, be subject.

**Investments Based on Valuation.** The Master Fund will invest in securities Pier 88 believes are undervalued. Identifying investment opportunities of these kinds is a difficult task, and neither the Fund nor Pier 88 can provide any assurance that Pier 88 will succeed at it. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. The Master Fund may be required to hold positions for a substantial period before market prices reflect Pier 88's beliefs about their value. Returns generated from the Master Fund's investments may not adequately compensate for the business and financial risks assumed.

**Concentration of Investments.** The Master Fund will not be as diversified as many other investment funds. While Pier 88 intends to limit investments that could create excessive concentration in a particular company or industry, the Master Partnership Agreement does not require it to do so, nor must the Master Fund divest positions when appreciation (or other positions' depreciation) causes them to comprise an outsized portion of its portfolio, and the Master Fund may at times have a relatively large portion of its capital exposed to a relatively small number of positions and/or a particular industry. Losses in one or more large positions, or a downturn in an industry in which the Master Fund is concentrated, could materially adversely affect the Master Fund's performance and could have a materially adverse effect on the Master Fund's overall financial condition.



**Small and Medium Capitalization Stocks.** The Master Fund may invest in stocks of companies with relatively small- or medium-sized market capitalizations. While Pier 88 believes these stocks can provide significant potential for appreciation, they can involve higher risks than investments in stocks of larger companies. For example, prices of small-capitalization and some medium-capitalization stocks are often more volatile than prices of large capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, “blue-chip” companies. In addition, thin trading in some small- and medium-capitalization stocks may make those stocks less liquid than large-capitalization stocks.

**General Market Conditions and Disruptions; Interconnected Markets.** Developments and disruptions in financial and securities markets generally, including such aspects and attributes as interest rates, the availability of credit, and liquidity of particular types of investments, as well as changes in general economic conditions, including unemployment and inflation, can significantly affect the prospects of companies in which the Master Fund invests, Pier 88’s ability to assess those prospects, and the Master Fund’s ability to adapt its portfolio and market exposures. In 2007 and 2008, a global “credit crisis” caused rapid and violent swings in all markets. The effects of that crisis on markets (including effects caused by governmental intervention, discussed below) may continue, and markets may be less predictable than they historically have been. In the summer and early fall of 2011 global economic disruptions caused additional dramatic swings in securities prices. Other types of disruptions could emerge, including as a result of political or economic developments outside the markets in which the Master Fund mainly invests, that have similar, or even more dramatic, effects on the markets in which the Master Fund invests, potentially causing the Master Fund to incur losses.

The Master Fund could incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions can be compounded by the fact that in disrupted markets previously liquid positions can become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

**Timing of Gains and Losses; Volatility.** The Master Fund may need to hold some of its positions for significant periods before their success or failure becomes apparent or any gains can be realized. It may take longer for successful positions to realize their potential than for unsuccessful ones to reveal their weaknesses. Market prices of portfolio positions may be expected to fluctuate significantly over the Master Fund’s holding periods, causing the Master Fund’s performance to be volatile over the short term.

**Short Selling.** The Master Fund may sell securities short. In a short sale, the Master Fund sells securities it does not own, in the expectation that the market price will decline and the Master Fund will be able to buy replacement securities later at a lower price. To accomplish this, the Master Fund borrows the securities from a broker or other third party. It “closes” the position by “returning” the security (buying a replacement security on the lender’s behalf). This “return”

obligation does not typically have a specified “maturity” date and the lender generally may require replacement of the securities whenever it chooses. A short sale theoretically involves the risk of unlimited loss; the price at which the Master Fund must buy “replacement” securities could increase without limit. The Master Fund may experience losses on short positions that are not offset by gains on long positions.

As collateral for its return obligation, the Master Fund must leave the proceeds of its short sales with the lender—generally a Prime Broker. Ordinarily all the Master Fund’s assets held by a Prime Broker will serve as collateral not only for the Master Fund’s short sale return obligation, but also for any other credit the Prime Broker extends and any other obligations the Master Fund owes the Prime Broker. If the amount of the Master Fund’s return obligation were to increase significantly due to increases in a short-sold security’s price, or if the value of collateral were to decrease, the Master Fund could be required to deliver additional cash or other collateral to the relevant Prime Broker. But, if substantially all the Master Fund’s assets were already serving as collateral, it is unlikely that the Master Fund would be able to meet such a demand, and the Prime Broker would likely cause the Master Fund to “buy-in” or “close” some or all of its short positions. Such a “buy-in” could well be at a time and on terms that are adverse to the Master Fund. Less dramatically, market-driven increases in short-sale-related liabilities and reductions in collateral value could also reduce the Master Fund’s ability to effect transactions or distribute cash to fund redemptions of Shares. Lenders such as the Prime Brokers have great discretion in their decisions regarding adequacy of collateral, and the Master Fund’s short-selling activities, and actions that depend on availability of assets not being relied on for collateral (*e.g.*, distributing cash) could be curtailed, potentially significantly and without notice.

**Limited Liquidity of Some Investments.** Some of the Master Fund’s investments may be relatively illiquid. An investment may be illiquid because it is thinly traded or because the Master Fund’s position in it is large in relation to the overall market for the security. The Master Fund may own (or have a short position in) securities that are relatively liquid when acquired (or sold short) but that later become illiquid. The Master Fund may not be able to liquidate illiquid positions if the need were to arise; rapid sales of such securities could depress the market value of those securities, reducing the Master Fund’s profits, or increasing its losses, in the positions (and rapid purchases to cover short positions could have the corollary effect). In addition, while it does not currently intend to, the Master Fund may buy securities that are not immediately saleable in the public markets. Redemptions funded out of the most liquid portion of the Master Fund’s assets could cause the illiquid portion to be a greater percentage of the Master Fund’s portfolio than would otherwise be optimal.

**Changes in Investment Strategies.** Pier 88 has broad authority to expand, contract or otherwise change the Master Fund’s activities without notice to, or the consent of, the Feeders’ investors, including Shareholders. Over time, the strategies the Master Fund implements can be expected to expand, evolve, and change, perhaps materially. Pier 88 will not be required to implement any particular strategies and may discontinue employing any particular strategy, whether or not that strategy is specifically described in this memorandum, and without notice to investors. Any change in strategies could expose the Master Fund’s capital to additional risks.

**Valuation Risks.** For some of the Master Fund's securities the market may be or become subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, resulting in unreliability of pricing information. Further, if an issuer's financial condition deteriorates, accurate financial and business information can become limited or entirely unavailable and prices for its securities may not be available from any source. Where third-party pricing information for a position is not available, or where Pier 88 considers market-based pricing information not to be indicative of the position's value, the Master Fund may assign a different (less favorable) value. As a result of these and other factors, values reflected in financial reports and used in determining investors' sharing percentages (*e.g.*, upon new subscriptions), redemption proceeds, the Management Fee, and Incentive Allocations might not accurately reflect the amounts the Master Fund could obtain (or would be required to pay as to some types of derivatives positions) if it were to try to sell the security (or close the position). Pier 88 faces conflicts of interest in making valuation decisions.

**Risks of Investing in Non-U.S. Securities.** The Master Fund may invest and trade in securities of non-U.S. companies or governmental entities, and in securities, commodity interests, and derivative contracts and instruments denominated in currencies other than U.S. dollars. Such securities and other instruments can subject the Master Fund to risks not typically associated with investing in securities and commodity interests in the U.S. The following are some of the more significant risks associated with this type of investing.

**Currencies and Foreign Exchange.** The Master Fund may take positions in currencies, either directly or through the use of derivative instruments. While it may do so to hedge currency exposure on other investments, it may also do so to take advantage of what Pier 88 considers trading opportunities. The foreign exchange markets can be news-driven and can be unexpectedly volatile and can be affected by non-market forces such as actions of various governments, as described elsewhere in this memorandum.

**Hedging.** Pier 88 may use hedging strategies to the extent it considers appropriate in light of current circumstances and portfolio composition. It may do so using short positions in one instrument to hedge long positions in another instrument, and vice versa. Hedging strategies in general are intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. Hedges are often imperfectly inversely correlated with the underlying exposure Pier 88 seeks to hedge and, to the extent that is the case, can subject the Master Fund to additional risk, if prices involved in the hedging position move against the Master Fund. Other risks that may be involved in hedging include: (i) possible illiquidity in the market for closing out a hedging position; (ii) interest rate, spread, or other broad market movements not anticipated by Pier 88; (iii) the Master Fund's obligations to meet margin or other payment requirements; (iv) a counterparty's default or refusal to perform; and (v) impact that required segregation of the Master Fund's assets to cover hedge-related obligations may have on portfolio management or the Master Fund's ability to meet short term obligations. Pier 88 will not attempt to hedge all market or other risks inherent in the Master Fund's positions, and will hedge certain risks, if at all, only partially. The Master

Fund's portfolio composition will commonly result in various directional market risks remaining unhedged.

**Portfolio Leverage.** The Master Fund may employ leverage. Leverage in the Master Fund's portfolio could increase both the possibilities for profit and the risk of loss. If the Master Fund were to borrow to leverage its investments (margin borrowing), that borrowing would probably be secured by the Master Fund's securities and other assets. Margin borrowings typically allow the lender to demand an increase in the collateral that secures the Master Fund's obligations, and if the Master Fund were unable to provide additional collateral, the lender could liquidate the collateral to satisfy the Master Fund's obligations. Forced liquidation could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

**Derivatives in General.** The Master Fund's investments in derivative instruments could include options, warrants, futures, forwards, and interest rate, credit default, total return, and equity swaps. Derivative instruments involve a variety of material risks, including, in some cases, extremely high embedded leverage. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying them may not correlate with historical patterns, resulting in unexpected losses.

**Options.** Trading options is highly speculative and may entail risks greater than investing in other securities. Option prices are generally more volatile than other securities' prices. When trading options, the Master Fund is speculating on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying the options. A change in the market price of the underlying securities or underlying market index would cause a much greater change in the price of the option contract. In addition, if the Master Fund buys options that it does not sell or exercise, it will suffer the loss of the premium paid. To the extent the Master Fund sells (writes) options and must deliver the underlying securities at the option price, the Master Fund has a theoretically unlimited risk of loss if the price of the underlying securities increases. If the Master Fund must buy those underlying securities, it risks the loss of the difference between the market price of the securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

**Futures/Commodities Activities.** The Master Fund could buy futures on securities indices, commodities, or currencies, and trading in other commodity interests. As with some other derivatives, futures can provide a form of leverage, allowing the Master Fund to participate in market price fluctuations of indices, interest rates or commodities underlying futures (or options on futures), while only investing a small percentage of the value of those underlying indices, rates, or commodities as margin. Trading in futures is highly speculative and may entail risks that are greater than investing in securities, including: increased volatility relative to other securities; increased exposure resulting from the leverage aspects of futures trading; and the

potential illiquidity of futures positions. Pier 88 is not registered as either a “commodity pool operator” or a “commodity trading adviser.”

**Convertible Securities, Rights and Warrants.** The Master Fund may invest in hybrid securities that may be exchanged for, converted into, or exercised to acquire a predetermined number of shares of an issuer’s common stock at the option of the holder during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights, and warrants). Convertible securities generally pay interest or dividends and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher and the security is senior to common stock. Convertible debt securities purchased by the Master Fund that are acquired for their equity characteristics are not subject to minimum rating requirements.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The credit standing of the issuer and other factors may also affect the investment value of a convertible security. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security is increasingly influenced by its conversion value.

Convertible securities may also include warrants, often publicly traded, that give a holder the right to purchase at any time during a specified period a predetermined number of shares of common stock at a fixed price but that do not pay a fixed dividend. Their value depends primarily on the relationship of the exercise price to the current and anticipated price of the underlying securities.

**Over-The-Counter Derivatives.** Some of the derivatives the Master Fund may trade will be principal-to principal or “over-the-counter” contracts between the Master Fund and third parties entered into privately, rather than on an established exchange. These could include security-based swaps, swaps, contracts for differences, forward contracts, and other OTC derivative arrangements involving or relating to, among other things, specific securities (including total return swaps), interest rates (including caps and floors), or currencies. In all these types of transactions, the Master Fund will be subject to the risk that a counterparty is unable or refuses to perform. The Master Fund will not be afforded the regulatory protections of an exchange or its clearinghouse, or of a government regulator that oversees the exchange or clearinghouse, if a counterparty fails to perform. In privately negotiated transactions, the risk of the negotiated price deviating materially from fair value is substantial, particularly when there is no active market available from which to derive benchmark prices. Over-the-counter derivatives may also expose the Master Fund to additional liquidity risks.

**Distressed Companies.** The Master Fund may invest in companies that are distressed or have experienced difficulties. These companies present greater risks than healthy companies; a

bankruptcy could cause the Master Fund to lose its entire investment; the Master Fund could be forced to accept cash or securities with a value less than the Master Fund's investment; and the Master Fund could be prohibited from exercising certain rights with respect to such investment. Even successful distressed investments may take longer to show returns than other investments, and the markets for them may be limited for extended periods or may disappear or fail to develop.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Pier 88 or the integrity of Pier 88's management. Pier 88 has no material legal or disciplinary items to disclose.

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

### **A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Neither Pier 88 nor its management persons are registered as a broker-dealer or broker-dealer representative.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Pier 88 nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

### **C. Relationships Material to this Advisory Business and Possible Conflicts of Interest**

Pier 88 serves as the investment manager of each Fund.

### **D. Selection of Other Advisers or Managers**

Pier 88 does not utilize nor select other advisers or third party managers or receive any compensation from such parties, and does not have business relationships that create a material conflict of interest. All assets are managed by Pier 88.

## **Item 11 – Code of Ethics**

### **A. Code of Ethics**

Pier 88 has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of Pier 88 (collectively, "Employees" or "Personnel"). Employees are expected to act in accordance the principles set forth in the Code, including: (i) to act with integrity, competence, diligence and respect with the public, Clients, Investors, prospective Clients and Investors, Pier 88 management, all fellow Employees, colleagues in the investment profession, and other participants in the global capital markets; (ii) to adhere to the highest

standards with respect to Client accounts, to avoid any actual or potential conflicts of interest and to place the interests of Pier 88 above their own personal interests (Employees should never enjoy an actual or apparent benefit over the account of any Client or Investor); (iii) to comply with applicable provisions of the federal securities laws and promote the integrity of, and uphold the rules governing, global capital markets; (iv) to preserve the confidentiality of information that they may obtain in the course of Pier 88's business and to use such information properly and not in any way adverse to Client interests (subject only to legal requirements); (v) to use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; (vi) to practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the investment profession; (vii) to maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals; and (viii) to conduct their personal financial affairs in a manner consistent with this policy, avoiding any action that could compromise in any way their ability to deal objectively with Clients of Pier 88 and Investors.

Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Pier 88 will discuss its Code of Ethics with Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Pier 88 at the address on the cover page to this Brochure.

#### **B. Recommendations Involving Material Financial Interests**

With limited exceptions, Pier 88 Personnel are not permitted to invest in publicly-traded securities or most other financial instruments in any account in which they have direct or indirect beneficial ownership or control. Nonetheless, because the Code in some circumstances would permit Pier 88 Personnel to hold certain investment positions (e.g., if such positions were held at the time the employee joined the firm, or were thereafter obtained through a gift or bequest), there is a possibility that Pier 88 may recommend to Clients the purchase or sale of securities in which Pier 88 Personnel have a financial interest. Under these limited circumstances, the investments of Pier 88 Personnel may differ from, or be contrary to, those taken by the Funds. Pier 88 believes the significant restrictions on personal trading and extensive pre-approval procedures described above are reasonably designed to avoid conflicts of interest and to preserve Pier 88's ability to discharge the fiduciary duties it owes to its clients.

#### **C. Investing Personal Money in the Same Securities as Clients**

As discussed above, Pier 88 Personnel are generally not permitted to invest in publicly-traded individual Securities or options on individual Securities, including futures and forward contracts in the sub-sectors in which the Clients also invest. Exceptions include the liquidation of securities acquired prior to commencing employment with Pier 88 and investments in securities which are to be held for a minimum of 60 calendar days.

**D. Trading Securities At/Around the Same Time as Clients' Securities**

The pre-approval procedures described in Section A (Code of Ethics) above are designed to eliminate the possibility that Pier 88 Personnel or related persons trade securities that are contemporaneously being bought or sold by the Funds.

**Item 12 – Brokerage Practices**

**A. Factors Used to Select or Recommending Broker-Dealers**

Pier 88 will always have discretion as to the selection of brokers (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions for the Clients, Pier 88 is not required to consider or focus on any particular criteria and for the most part, Pier 88 will seek “best execution” of transactions. In evaluating whether a broker will provide best execution, Pier 88 will consider a range of factors, including price, the ability of the brokers to effect the transactions, the brokers’ facilities, reliability and financial responsibility, the provision of or payment for (or the rebate to the Clients for payment of) the costs of property or services, reputation, experience in certain markets, and certain brokerage or research services provided to Pier 88 by the broker. Pier 88 need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Commissions paid by the Funds to brokers may include “soft dollar” research services used by Pier 88 in making investment decisions.

**1. Research and Other Soft Dollar Benefits**

Pier 88 may effect transactions with broker-dealers who provide research services (collectively, “soft-dollar items”) to Pier 88 that assist Pier 88 in making investment and trading decisions on behalf of its Clients. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or Pier 88’s overall responsibilities with respect to its Clients. Pier 88 intends to comply with the soft-dollar “safe harbor” afforded by Section 28(e) under the 34 Act.

- a. When Pier 88 uses Client brokerage commissions to obtain soft-dollar items, it receives a benefit because it does not have to produce or pay for such soft-dollar items. However, Pier 88 believes that such soft dollar items may provide the Clients with benefits by supplementing the research and services otherwise available to the Clients.
- b. Pier 88 may have an incentive to select or recommend a broker-dealer based on its interest in receiving the soft-dollar items, rather than on the Client’s interest in receiving most favorable execution. Pier 88 periodically reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.



- c. To the extent that Pier 88 does engage in such “soft dollar” arrangements, the Funds may pay commissions to a broker in an amount greater than the amount another broker might charge.
- d. Soft-dollar items, whether provided directly or indirectly, may be utilized for the benefit of Pier 88’s and its affiliates’ other accounts. Soft-dollar items are not limited to those Funds who have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Usually, soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.
- e. Within the last fiscal year, Pier 88 did not use “soft-dollars” to receive the following: (i) software and other products that aggregate market data, (ii) broker-dealer research reports, company financial data and economic data, (iii) industry consultants who provide direct market research, and (iv) certain equipment in connection with investment analysis and decision making.
- f. A broker from which Pier 88 obtains soft dollar services generally establishes “credits” based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay for specified expenses. In some cases the process is less formal and a broker simply may suggest a level of future business that would fully compensate the broker for services or products it provides. Pier 88 monitors the soft dollar services provided to ensure that appropriate transactions are executed with a soft dollar provider.

## 2. Brokerage for Client Referrals

Pier 88 does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. Pier 88 may receive referrals in the future and if it does it will appropriately amend this Brochure.

## 3. Directed Brokerage

Pier 88 does not direct brokerage. Securities transactions are executed by brokers selected by Pier 88 in its discretion and without the consent of the Clients or Investors.

### B. Aggregating Trading for Multiple Client Accounts

**Aggregation of Orders.** If the Master Fund and Other Accounts seek to buy or sell the same security at the same time, Pier 88 may combine the Master Fund’s and the Other Accounts’ orders. When it does so, Pier 88 will generally allocate the proceeds of those transactions (and the related transaction expenses) among the participants on an average price basis (although it may allocate partially filled orders differently). Pier 88 believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to the Master Fund than if the Master Fund had been the only transacting account or had traded ahead of the other participants.

**Cross Transactions.** Pier 88 may (but is not obligated to) cause the Master Fund and Other Accounts to effect “cross” transactions (*i.e.*, buy and sell securities from and to each other), subject to applicable law or regulation. Pier 88 may do so if it believes the cross transaction will be beneficial to both parties. ERISA and other laws or regulations could in some circumstances prevent the Master Fund from engaging in “cross” transactions that could be beneficial to it. The Feeders will not engage in any cross transactions.

**Shareholder Consent.** By signing the Subscription Application and purchasing Shares, each Shareholder expressly consents to Pier 88’s selection of Transacting Parties, negotiation of transaction compensation and terms, and use of the Master Fund’s soft dollars in all of the ways described above, even where the nature of the services and products or the manner in which payment is made do not meet the requirements for protection under Section 28(e).

### **Item 13 – Review of Accounts**

#### **A. Frequency and Nature of Periodic Review and Who Makes Those Reviews**

Pier 88 reviews Client accounts on a regular, but no less than on a quarterly basis to ensure consistency with the Clients’ strategy and performance objectives. Asset allocation, cash management, market prospects and individual investment prospects are considered. The reviews are conducted primarily by the Firm’s Portfolio Managers.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may take place more frequently if triggered by economic, market, political conditions or any unusual activity or special circumstances.

#### **C. Content and Frequency of Regular Reports**

Investors in the Funds will generally receive written reports, including unaudited reports of performance no less frequently than semi-annually and will receive audited year-end financial statements annually. Pier 88 will provide an investor in a Fund with information on a more frequent basis if agreed to by Pier 88 and such investor.

### **Item 14 – Client Referrals and Other Compensation**

#### **A. Economic Benefits Provided by Third Parties**

Pier 88 does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Clients.

**B. Compensation to Non-Advisory Personnel for Client Referrals**

Currently, neither Pier 88 nor its related persons directly or indirectly compensates any person who is not a supervised person, including placement agents, for Client referrals. If in the future Pier 88 enters into such arrangements, this Brochure will be appropriately amended. From time to time, prime brokers may however assist the Funds in raising additional funds from investors, and representatives of Pier 88 may speak at conferences and programs sponsored by such brokers for investors interested in investing in hedge funds. Through such “capital introduction” events, prospective investors in the Funds would have the opportunity to meet with Pier 88. Currently, Pier 88 does not compensate any broker for organizing such events or for any investments ultimately made by prospective investors attending such events, nor do we anticipate doing so in the future. As discussed above, subject to best execution, Merchants’ Gate may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending brokers or dealers for the Funds. While such events and other services provided by a prime broker may influence us in deciding whether to use such broker in connection with brokerage, financing and other activities of the Funds, Pier 88 will not commit to allocate a particular amount of brokerage to a broker in any such situation.

**Item 15 – Custody**

SEC rules provide that, because Pier 88 and/or its related persons are the general partner of the one or more of the Funds and have authority to obtain Client funds, for example, by deducting fees or otherwise withdrawing funds from a Client’s account, Pier 88 or its related persons are considered to have “custody” of those Funds’ assets, even though independent custodians (Prime Brokers) actually hold those assets. The custody rules generally requires investment advisers that have “custody” of Client assets to cause certain account statements detailing holdings and transactions to be sent to Clients, and imposes certain other obligations. However, advisers to investment funds like the Funds are not required to comply (or are deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception,” which, among other things, requires that each Fund be subject to 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 each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. Pier 88 satisfies the SEC’s custody requirements by providing Investors with audited financial statements by a specified time each year. Pier 88 generally does not have custody of assets for Separate Account Clients.

## **Item 16 – Investment Discretion**

Pier 88 is typically authorized to invest and trade the Clients' assets in a broad range of investments, to be selected at Pier 88's discretion, subject to the guidelines set forth in the Fund's offering documents and/or organizational documents. Further, Pier 88 may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds' governing documents, investment management agreements between Pier 88 and the Funds, each Investor designates Pier 88 as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients' business and affairs.

## **Item 17 – Voting Client Securities**

Pier 88 exercises voting authority over Client proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require Pier 88 to vote proxies received in a manner consistent with the overall best interests of the Clients. In voting Client proxies, Pier 88 will seek to avoid material conflicts of interest between the interests of Pier 88, on the one hand, and the interests of its Clients, on the other.

Pier 88 shall ensure that it is the designated party to receive proxy voting materials from companies or intermediaries. All proxy voting materials received by employees or other persons associated with Pier 88 must be immediately forwarded to the Chief Compliance Officer (the "CCO"), who will be responsible for ensuring that proxies are voted and submitted in a timely manner. The CCO will consult with Pier 88's investment personnel and provide them with the proxy materials, if relevant, prior to voting any proxies.

Pier 88 generally will vote in favor of management proposals or recommendations, so long as this is consistent with maximizing shareholder value, unless considerations require otherwise. Pier 88 may abstain from voting proxies in the event that the Client's economic interest in the matter being voted upon is limited relative to the Client's overall portfolio or the Client's vote will not have an effect on the outcome or on the Client's economic interests.

A potential conflict of interest may exist if Pier 88 votes a proxy solicited by an issuer with which Pier 88 or any Pier 88 personnel has or had a business or personal relationship that may be affected by Pier 88's proxy vote. As per its stated policy, Pier 88 will seek to resolve any potential conflict keeping in mind the best overall interest of the Clients.

Pier 88 will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters. Such a request may be made by contacting [jfertitta@pier88.com](mailto:jfertitta@pier88.com).

## **Item 18 – Financial Information**

Pier 88 may have discretionary authority over its Clients' assets and may be deemed to have custody over certain of those assets, but Pier 88 has no financial commitment that is 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 during the past ten years.

**Item 19 – Requirements for State-Registered Advisers**

Pier 88 is not registering nor is currently registered with one or more state securities authorities. Therefore, this Item 19 is inapplicable.