

# Poket Financial, LLC

## Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Poket Financial, LLC. If you have any questions about the contents of this brochure, please contact us at +54 11 3221 5067 or by email at: [Sebastian@sthventures.com](mailto:Sebastian@sthventures.com). 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.

Additional information about Poket Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Poket Financial, LLC's CRD number is: 221523.

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*Registration does not imply a certain level of skill or training.*

Version Date: 03/05/2018

## **Item 2: Material Changes**

This Part 2A constitutes an update to the Adviser's ADV Part 2A dated March 18, 2017. This Item 2 discusses only specific material changes that are made to the Brochure. Each time we will reference the date of our last annual update of the Brochure.

There have been no material changes to Poket's policies or practices.

Pursuant to new SEC Rules, clients will receive a summary of any materials changes to the Brochure, and any subsequent versions of the Brochure within 120 days of the close of our fiscal year, which is December 31. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Currently, you may request the Brochure by contacting Sebastian Pablo Ortega at +54 11 3221 5067 or [sebastian@sthventures.com](mailto:sebastian@sthventures.com).

Poket

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Poket Financial, LLC (hereinafter “Poket”) is a Limited Liability Company Organized in the State of Delaware.

The firm was formed in April 2015, and the founders and managing members are, Mr. Sebastian P. Ortega and Mr. Federico Tessore.

Poket is an alternative asset manager headquartered in Argentina. Founded in 2015, the firm was established to pursue investment opportunities globally. Poket forges financial acumen, independent analysis with hands-on operational expertise to deliver return to Argentinean individual investors (the “Clients”). Poket prides itself in taking an active approach to investing. Poket’s investment strategies may include a broad range of various types of investments in both U.S. and non-U.S. marketplaces. Poket may provide advice on any type of investment held in a Client’s portfolio at the inception of the advisory relationship or on any investment for which the Client requests advice.

### B. Types of Advisory Services

#### *Portfolio Management Services*

Poket offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Poket creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

Poket evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Poket will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Poket seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Poket’s economic, investment or other financial interests. To meet its fiduciary obligations, Poket attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Poket’s policy is to

seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Poket's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

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

Poket offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Poket does not participate in any wrap fee programs.

### **E. Assets Under Management**

Poket has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$19,507.72	\$0	December 31, 2017

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Management Fees***

Assets Under Management	*Monthly Fee
Flat rate, regardless of account size	\$8.99 per account

These fees are generally negotiable and the final fee schedule is included in the attached Investment Advisory Contract.

Clients may terminate the agreement without penalty for a full refund of Poket's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice. Poket uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Poket uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets.

## **B. Payment of Fees**

### ***Management Fees***

Management fees are withdrawn directly from the client's account with the client's written authorization. The Management Fee is based on a flat rate, regardless of account size as described below, and is calculated and paid monthly in arrears as of the last day of the calendar month.

Flat rate fees may be charged to the Client and paid by credit card. Clients must provide Poket with the signed authorization to establish recurring credit card payments.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Poket. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

Poket collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither Poket nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Poket does not currently charge a performance fee.

## **Item 7: Types of Clients**

Poket manages accounts for Clients that represent they (1) have discretionary capital for the principle purpose of investing and (2) are fully cognizant of the possible high risks associated with such investments. Prospective Clients must respond to all questions listed in the Investment Management Agreement in order to be able to become a Client of Poket and must meet certain minimum suitability requirements determined by Poket. Poket may reject any person's request to become a Client for any reason. Clients are responsible for notifying Poket of any changes to their financial situation or investment objectives.

### ***Minimum Account Size***

The minimum account size that shall be accepted by Poket is one thousand U.S. dollars (USD \$1,000) and the Client may add to or withdraw funds from its investment account in increments of one thousand U.S. dollars (USD \$1,000) at any time, with no minimum subsequent investment amount.

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

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

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

Poket was established with the goal of generating returns to Clients through various strategies, whether long or short, in the global marketplace. Poket may invest Client assets [in long and short positions in equity or debt securities of U.S. and non-U.S. issuers, including securities convertible into equity or debt securities; distressed securities, rights, options and warrants; bonds, notes and equity and debt indices; and any other financial instruments that Poket believes will generate capital appreciation for Clients. The investments may include both publicly traded and privately placed securities of public issuers, as well as publicly traded securities of private issuers. Poket may also invest Client monies in securities sold pursuant to initial public offerings and in options on financial indices may be used to establish or increase long or short positions to hedge investments in Client accounts. Poket has no overarching strategy or asset allocation model that specifies diversification percentages. Client monies not invested will default to cash, cash equivalents, and/or securities issued by governments, including but not limited to the U.S. Department of the Treasury ("U.S. Treasuries") and United Kingdom ("UK Gilts") in the absence of better alternatives.



## **Investment Strategy**

Poket employs a Value and Growth Investment strategy to its investment approach, encompassing the following sub-strategies:

**Distressed Securities:** Poket will take strategic positions in securities that are trading below par with a view towards short-term or long-term gains. Distressed securities include, but are not limited to, publicly and privately held debt and equity including distressed loans, bank debt, bonds, debentures, trade claims, common stock, preferred stock, and hybrid securities. Where feasible, Poket will take an active role in these investments to drive value to the position.

**Merger Arbitrage:** Poket will take simultaneous long and short positions in the securities of corporations that have announced or are expected to announce cash or share based acquisitions / mergers, asset swaps or any other combination to take advantage of potential security mispricing and market inefficiencies.

**Special Situations:** Poket will invest in the securities of companies that have announced Divestitures, Recapitalizations, Spin-offs, Spin-outs, Dividend changes, Rights issues, Share buybacks, Management changes and other catalytic events

**Activist Investing:** Where possible, Poket will take concentrated positions in listed and unlisted undervalued companies to pursue value enhancing financial, strategic, operational and governance changes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

**Accuracy of Public Information Risk.** Poket selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made publicly available by the issuers or through sources other than the issuers. Although Poket evaluates this information and data and ordinarily seeks independent corroboration as appropriate and reasonably available, Poket is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

**Illiquid Investments Risk.** Poket will allocate a portion of Client funds to illiquid securities. Due to changes occurring after the initial investment and the nature of illiquid securities, it may be impossible for Poket to liquidate some or all of its investments when desired or to realize their fair value in the event of such liquidation. In addition, Poket may not be able to quickly liquidate all of its positions due to trading volume and liquidity that can disappear in certain securities or more generally in the market.

**Equity Securities Risk.** Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.

**General Economic Conditions.** The success of any trading activity may be affected by general economic conditions, which may affect the level and volatility of securities prices, interest rates and the extent and timing of investors' participation in the markets for securities and other instruments. Unexpected volatility or liquidity in the markets in which Poket directly or indirectly holds positions could impair Poket's ability to carry out its business or cause it to incur losses.

**Investment Judgment; Market Risk.** The profitability of a significant portion of Poket's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Poket will be able to predict accurately these price movements. With respect to the investment strategy utilized by Poket, there is always some, and occasionally a significant, degree of market risk. Changing market and economic conditions may lead to Client losses.

**Risk Management.** Poket will engage in speculative investment strategies. A potential Client should note that the prices of instruments in which Poket will trade may be volatile. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies, changing supply and demand relationships, national and international political and economic events, changes in interest rates, and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

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

Neither Poket nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither Poket nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Neither Poket nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Poket does not utilize nor select third-party investment advisers. All assets are managed by Poket management.

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

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

Poket has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting

Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Poket's Code of Ethics is available free upon request to any client or prospective client.

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

Poket does not recommend that clients buy or sell any security in which a related person to Poket or Poket has a material financial interest.

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

From time to time, representatives of Poket may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Poket to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Poket will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

Sebastian Ortega monitors personal securities transactions and reports them to Poket quarterly. Currently, Mr. Sebastian Ortega is Chief Compliance Officer of Poket, so he is responsible to adhere to the foregoing policies and to police the personal trading of both himself, and Mr. Federico Tessore.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Brokerage Arrangements. Third Party Trade LLC (TPT), will provide brokerage, clearing and custodian services for client accounts, and will generally execute (on the basis of payment against delivery) the transactions. TPT will charge clients of Poket, a commission per equity option order with no minimum commission amount. Poket receives no referrals or compensation from TPT.

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

While Poket has no formal soft dollars program in which soft dollars are used to pay for third party services, Poket may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Poket may enter into soft-dollar arrangements consistent with (and

not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Poket does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Poket benefits by not having to produce or pay for the research, products or services, and Poket will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Poket's acceptance of soft dollar benefits may result in higher commissions charged to the client.

## ***2. Brokerage for Client Referrals***

Poket receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Poket permits clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to Poket to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all advisors require or allow clients to direct brokerage. If client's direct brokerages, then most favorable execution may not be achieved, which may cost the client more.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

Poket does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Reviews of Accounts**

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

All client accounts for Poket's advisory services provided on an ongoing basis are reviewed at least monthly by Sebastian P. Ortega and/or Federico Tessore, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Poket are assigned to this reviewer.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Poket's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Poket does not provide additional written reports; all required reports will be sent by the custodian.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Poket does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Poket's clients.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

Poket does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

# **Item 15: Custody**

When advisory fees are deducted directly from client accounts at the client's custodian, Poket will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Poket does not provide account statements to clients in addition to those provided by the custodian.

# **Item 16: Investment Discretion**

Poket provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Poket generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what

securities to buy or sell, or the price per share. Client will execute a limited power of attorney to evidence discretionary authority.

### **Item 17: Voting Client Securities (Proxy Voting)**

Poket will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

Poket neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Poket nor its management has any financial condition that is likely to reasonably impair Poket's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

Poket has not been the subject of a bankruptcy petition in the last ten years.