

**Item 1 – Cover Page**

**BROCHURE/FORM ADV PART 2A**

**PENTA FAMILY OFFICE SA**

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SEC File No. 801-107085**

**26 March 2018**

This Brochure on Form ADV Part 2A provides information about our qualifications and business practices as they pertain to our U.S. resident clients. The information herein has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or any non-U.S. or state securities authority. Please visit the SEC’s Investment Adviser Public Disclosure for more information about us, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). If you have questions about this Brochure, contact Pascal Gisiger, our CEO/CCO, at [pgi@penta-familyoffice.ch](mailto:pgi@penta-familyoffice.ch) or + 41 22 310 14 82.

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## **Item 2 – Material Changes**

We last filed our Brochure with the SEC on 26 September 2017. This Brochure, our annual update amendment, is current as at the date on the cover page unless otherwise stated, and sets forth the following material change.

- As of 28 February 2018, Penta Family Office SA ceased to have U.S. resident client assets under management following a strategic business decision to focus on the development of the asset management business in Europe and the Middle East.
- On 15 March 2018, Maurice Benezra and Nazaré Mestre Afonso ceased to be Directors.
- Effective 16 March 2018, Roberto Pisani, resigned as our Chief Investment Officer, having assumed this role in 2017 replacing Ms Afonso. We reported this in our Brochure filed on 30 August 2017. Additionally, in our Brochure dated 26 September 2017, we reported that Mr Pisani had become a part-time trainee of ActaPlus SA, a firm that provides accounting services.
- We are filing a Form ADV-W to withdraw our SEC registration.

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## Item 4 – Advisory Business

### Who we are

Penta Family Office SA is a joint-stock company incorporated in April 2010 under the laws of the Canton of Geneva, Switzerland. We are wholly owned by Penta Partners Holding Luxembourg, a Luxembourg company that is 90.5% owned by APB Holding Luxembourg, also a Luxembourg company, which, in turn, is wholly owned by Maurice Benezra. Our sole director is Jonathan Mattatia. Pascal Gisiger is our Chief Executive Officer (“CEO”) and Chief Compliance Officer (“CCO”). Our related persons are discussed in Item 10, below, and are named in our Form ADV Part 1.

We offer discretionary investment management services to our clients, U.S. resident and non-U.S. resident. We offer non-discretionary (advisory) services to U.S. resident and non-U.S. resident clients, but U.S. resident clients must make their own arrangements to buy or sell securities as we do not do this for them. We provide traditional private banking facilitation assistance such as coordinating services between the client and his/her tax and legal advisor, accountant and bank representatives. We do not provide tax or legal advice and we do not provide banking services.

All matters in this Brochure relate solely to our U.S. resident clients (“Clients”).

As of 28 February 2018, we do not have any U.S. client assets under management.

Discretionary Assets	US\$ Nil
Non-discretionary Assets	US\$ Nil
<b>Total</b>	US\$ Nil

### Discretionary investment management

We manage Client securities and cash (“Assets”) under the Portfolio Management Guidelines of the Swiss Bankers Association and the Swiss Association of Asset Managers (“Guidelines”). Our long-term goal is to preserve our Clients’ capital through effective risk control while trying to achieve consistent performance, year after year. A Client selects a degree of risk, investment horizon and asset classes, and identifies restrictions, which are set forth in a Discretionary Investment Mandate (“IMA”). These form the basis of the strategies that we pursue for our Clients.

Each Client selects a reference currency in which Assets are invested. At least 50% of the Assets are held in the reference currency. We may invest the balance in one or more currencies other than the reference currency at our discretion. Asset performance is evaluated in the reference currency unless the Client notifies us of an alternative currency.

**Non-discretionary investment management**

A U.S. Client that opts for this provides us with a portfolio, selects a degree of risk, investment horizon, reference currency and asset classes, and identifies restrictions, which are set in a Non-Discretionary Investment Mandate (“Advisory IMA”). Every such Client is required to keep us aware of any change in their personal investment profile and portfolio classes. We advise in a manner consistent with the Guidelines and them with tailored asset allocation.

**Item 5 – Fees and Compensation**

Each Client selects the custodian (“Custodian”) to hold Assets. The Custodian values Assets.

We calculate the fees (below) that Clients pay to us. To address the conflicts of interest arising out of this, the fee calculation process is reviewed independently each year.

Fees are negotiable. The recommended minimum account size is US\$ 2 million or its equivalent.

Clients pay an “Annual Management Fee” and for discretionary investment management Clients, if a “qualified client” as defined in Rule 205-3 under the U.S. Investment Advisers Act of 1940 (“Advisers Act”), a “Performance Fee”.

The Annual Management Fee is equal to 0.65% of the market value of the Assets in the Client’s account with his custodian bank (“Account”). This fee is payable quarterly in advance at the start of each calendar quarter based upon the market value of the Assets in the Account at the end of trading on the last business day of each quarter as per the value stated in the Custodian account statement. A “business day” is defined as a day when banks are open and available for business in Geneva.

If the Client contributes further capital to the Account on a date other than the first business day of a calendar quarter, the Account will be charged a prorated portion of the Annual Management Fee for that calendar quarter with respect to such contribution based on the number of business days remaining in that calendar quarter. If Client withdraws some or all Assets from the Account, whether on termination of this Agreement or otherwise, on any day other than the last business day of a calendar quarter, the Annual Management Fee paid with respect to that calendar quarter shall be prorated based on the number of business days elapsed in that quarter prior to the withdrawal and the unearned portion shall be promptly refunded to Client.

A Client who is a “qualified client” may opt for and pay a Performance Fee. This fee is payable for each period of 10% of the Net Profits in such period (as defined below), payable on or promptly after the end of such period, calculated for each calendar promptly after the end of a calendar year. If a Client opens an Account during a calendar year, a Performance Fee shall be calculated and charged pro rata for that portion of the calendar year.

A “High Water Mark” threshold is taken into consideration for each period to assess whether or not the Performance Fee is payable. “Net Profits” for a period means the excess of the market value of Assets, including but not limited to the net unrealized appreciation and depreciation of Assets after a mutually agreed percentage that will depend upon the strategy decided by the Client. Computations of Net Profits are adjusted to take into account any addition to or withdrawal from Assets by the Client during any period. This percentage will be based on the three months prevailing Libor rate plus a percentage between 1% to 5% or a minimum of 1% to 5% (whichever is higher) and the Annual Management Fee paid by the client for the period if not paid in the Net Annual Performance, set forth in the IMA.

Invoices are issued when each fee is calculated. Each Client has authorized its Custodian, upon presentation to the Client and the Custodian of an invoice for our fees, to, as agent for the Client, pay us such fees from the cash in the Account.

In connection with our investment advisory services, Clients pay their own expenses. These include: custodial charges; brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses and costs associated with foreign exchange transactions.

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

As a fiduciary, we act in the best interests of our Clients. Our policy is not to favor one Client over another and to treat all Clients in a fair and equitable manner.

Fees are individually negotiated with Clients. Some Clients pay both an Annual Management Fee and a Performance Fee while other Clients pay only an Annual Management Fee. The fact that we are compensated based upon increased asset values creates an incentive for us to make investments on behalf of Clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, a portion of the Performance Fee received by us is based on both realized and unrealized gains and losses. As a result, the Performance Fee earned could be based on unrealized gains that Clients may not realize. Providing services to accounts which pay a Performance Fee and similar accounts that pay only an Annual Management Fee creates a conflict of interest. We would have an incentive to favor accounts for which we receive a Performance Fee. To address this conflict, we use policies and procedures, including those discussed below regarding the aggregation and allocation of trades, to manage and trade Assets in accordance with each Client’s IMA.

#### **Item 7 – Types of Clients**

We manage Assets for Clients such as individuals, high net worth individuals, trusts and family offices. The minimum account sizes to be accepted are USD 2,000,000. Or its equivalent in a foreign currency.

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

The following are the basic principles by which we manage Client Assets.

We employ a degree of leeway in managing Assets. This leeway would not exceed +/- 5% for each asset classes (except for cash where it is +/- 10%) based on the recommended asset allocation. The maximum allocation in equities, hedge funds and commodities is fixed at the maximum percent authorized for each investment profiles (i.e. 50% for balanced portfolios).

We employ leeway to FX. For the reference currency, the leeway would not exceed +/- 10% but the minimum allocation in the reference currency is fixed at 50%.

### *Equities*

The CIO reviews and approves the choice of equity securities, based upon research coverage. We limit the size of any position at 5% of the portfolio and have portfolios hold at least 10 equity securities.

### *Funds or ETFs*

The size limit per fund or ETF should not exceed 10% with a minimum of five funds.

### *Bonds*

Bonds are selected within the Moody's universe of Aaa to Ba3 ratings. If not available, equivalent of Standard and Poor's ratings classification applies (AAA to BB-). In case of split ratings, the lowest rating allocated by both agencies shall apply. The size limit for a single investment grade position should not exceed 5%, except for Aaa-Aa2 ratings or equivalent where the position should not exceed 7%. The size of a single non-investment grade position (below Baa3 to Ba3 for Moody's and BBB- to BB- for Standard and Poor's) should not exceed two percent of the portfolio. The maximum allocation to non-investment grade bonds should not exceed 25% of the bond asset class, except for the Growth profile where the maximum should not exceed 30%. The size limit by issuer should not exceed 15%.

The choice of fixed income funds is approved by the CIO and the size per fixed income funds should not exceed 10% of portfolio.

### *Hedge funds*

For individual hedge funds, a written recommendation from at least one of our main depositary banks is required. For a hedge funds portfolio below CHF 5,000,000, investments should be made exclusively in funds of hedge funds. Above this amount, the size of individual hedge funds position should not exceed five percent of the portfolio with a minimum of 10 positions.



*Strategies and profile*

We offer the following strategies: capital preservation; asset growth/accumulation; regular income generation; and realization of short-term gain.

Clients declare an investment profile from among conservative, moderate, balanced and growth.

We strive to invest with Client-declared investment horizons of less than one year, one to three years, three to five years, five to 10 years and more than 10 years.

*Risks*

Client-declared risk levels are low, low/moderate, moderate/elevated and elevated (high).

These investment strategies and activities involve risks.

**Clients must be aware that investing in securities involves the risk of loss that they should be prepared to bear.**

Stock Picking: We analyze several factors when considering whether to purchase a security. One of these is the security's potential increase in value. A security may be sold at a price below the potential value identified when the purchase was made, which would be caused by one or more factors beyond our control, leading to a profit less than originally desired, or even a loss. Client portfolios may sustain losses due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates, among other factors.

Diversification: Our investing focuses on equity markets and individual portfolios may be concentrated in various sectors. Any investment program that concentrates in a particular sector or regional market may be more volatile than a program that invests more broadly. If a portfolio is not diversified, the decrease in the price of one particular security may have a bigger impact compared with a diversified portfolio than if the portfolio were diversified.

Market Risk: Market risks affect the value of a portfolio. Securities prices fluctuate daily and may lead to changes in correlations between or among securities, which could result in the simultaneous decrease of all security prices that may negate all diversification effects.

Interest Rate Risk: Changes in interest rates or the holding of rates at low levels may affect industries differently. Financial Industries may be affected more significantly than other industries.

Liquidity Risk: This is the risk that, due to insufficient trading volumes, a security cannot be traded at the required size (or quickly enough) to prevent a loss or make the expected profit. This may affect small cap stocks to a greater extent than large cap stocks. Liquidity for bonds may be affected by the credit rating as well as the size of the corporation.

Non-U.S. Securities Risk: Foreign securities, foreign currencies and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

## **Item 9 – Disciplinary Information**

There is nothing to report.

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

Our ownership structure is set forth above and in Schedule A to our Form ADV Part 1.

We have four related persons: Penta Asset Management Geneva (“PAM”); Penta Advisory Monaco SAM; Penta Partners Holding Luxembourg; and APB Holding Luxembourg. Mr Benezra is the ultimate beneficial owner of these companies and the controlling person and owner of PAM and Penta Advisory Monaco SA. We have no business dealing with Penta Advisory Monaco SA and our only connection to it is through Mr Benezra.

Mr Gisiger, our CEO and CCO, is the Chief Operating Officer of PAM. As such, he will not be able to devote 100% of his time and attention to his activities that we require. To address this conflict of interest, Mr Gisiger will prioritize how activities for us are carried out so they come first and our board of directors will ensure that he receives all of the resources that he requires to carry out his activities. Also, as he holds two positions with us, when an issue arises that requires him to take action as CEO or as CCO, he will handle such matters as CCO and the CEO decisions will be addressed by Mr Mattatia, our director. All such matters will be documented and reviewed quarterly and as part of our annual review.

Mr Gisiger is a director of the Penta companies noted above. He is also a directors of non-Penta companies. These positions present a conflict of interest and as such Mr Gisiger will recuse himself from any matters involving any of these companies. All outside activities are declared and conditions will be imposed upon their activities including, but not limited to, recusal, disclosure or divestiture of such positions.

Mr Mattatia, our sole Director, is an employee of PAM. To address this conflict, he must comply with our Code of Ethics, in particular, the requirements not to misuse our confidential client information, and at our board of directors meetings must recuse himself from any matters involving PAM, and *vice versa*.

We require the disclosure of all outside activities and, when required, impose conditions upon such activities including, but not limited to, recusal, disclosure or divestiture.

**Item 11 – Code of Ethics, Participation/Interest in Client Transactions and Personal Trading**

We have a Code of Ethics ("Code") as required by Advisers Act Rule 204A-1. This Code sets out standards of conduct and other requirements for "supervised persons" and refers to the personal account dealing rules for "access persons", both terms defined in our Code. The rules impose requirements aimed at preventing, detecting and correcting fraudulent activity or activities that would pose a conflict of interest in connection with personal transactions.

Each access person is required to comply with personal account trading pre-clearance and file initial and annual holdings reports and quarterly transaction reports. In addition, each supervised person is required to sign a statement to acknowledge that they have received, read and understood the rules and will comply with them, as well as confirming that they must not misuse inside information or "confidential client information".

The giving and receiving of gifts and entertainment, and outside business activities, are addressed by our gifts and entertainment policies and procedures and our outside activities policy and procedures.

This is a summary of our Code, rules for personal transactions and gifts and entertainment policy. We will provide a copy of our Code upon request.

**Item 12 – Brokerage and Trading Practices**

Consistent with our fiduciary duties, we exercise care in making investment decisions, trading, managing and rebalancing portfolios.

When trading for two or more Clients or Accounts, where possible, we aggregate orders as we believe that this will allow us to obtain best execution and negotiate more favorable commission rates or transaction costs that might have otherwise been paid had such orders been placed separately. When aggregating, Clients must be treated in a fair and equitable manner. We do not aggregate unless this is consistent with our duty to obtain best execution. We aggregate and allocate prior to submitting an order for execution and do not change the pre-trade allocation without a written explanation of the change and the prior written approval of Mr Gisiger as CEO. No account will be favored over any other Client; however, a variety of factors determine whether or not a particular Client may or may not participate in a particular transaction. These include: investment objectives; restrictions; cash position; and the liquidity of the security compared to assets under management.

Partially filled orders or fully filled orders completed in more than one transaction will be allocated on an average price basis. Partially-fill orders will be allocated to Clients. All Clients participating in the deal receive the same average price.

We place orders for execution in accordance with our best execution policy and procedures. We define best execution as seeking to obtain the best possible result for our Clients. We use the following criteria when seeking best execution: price; size; time; quality of execution.

We have a trading errors policy. To the extent these occur, we seek to ensure that Clients' best interests are served. Our policy is to resolve all trade errors promptly while ensuring that no Client is disadvantaged, consistent with the orderly disposition (and/or acquisition) of the securities in question. Actual losses as a result of a trade error caused by us will be borne by us and Clients will keep gains. We do not net gains against losses. We do not compensate Clients for lost investment opportunities (e.g., failure to take advantage of investment or market improvements).

We may, under exceptional circumstances, cross Client orders. We do this only where we exercise discretion for both Clients and the transaction is suitable, has a reasonable basis for the recommendation and is effected at the best price available in the market, giving effect to our duty of best execution.

Notwithstanding the above, it may be the case that a Client uses a Custodian that requires that all orders for that Client be placed with the Custodian's trading desk. Where this is the case, we require that the Custodian provide us with a standard of execution consistent with and to discharge our duty of best execution. The Custodian is required to give us information necessary to determine whether it is receiving best execution, including its own analysis of how it achieved best execution.

Clients who designate a broker for a transaction ("directed brokerage") should understand that (a) we will not attempt to negotiate commissions with designated brokers, (b) they may pay higher commissions and (c) they will not necessarily receive best execution. Transactions for a Client who directs brokerage may not be aggregated with transactions in the same securities for other Clients. As a result, directed brokerage transactions may result in higher commissions, greater spreads or less favorable net prices than would be the case if we selected the broker to execute transactions for the Client's account.

We do not engage in "soft dollars" or "soft commissions".

We do not take U.S. Client orders to buy or sell securities.

### **Item 13 – Review of Accounts**

We review Accounts quarterly to determine, among other things, whether each is performing in accordance with investment objectives. Clients receive from their Custodian a monthly account statement. The Custodian sends a copy of the account statements to us.

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

We do not have any arrangements with any third party to solicit or refer Clients.

### **Item 15 – Custody**

Accounts are maintained at qualified custodians and we do not have custody of Assets. The Client selects the Custodian. We do not receive or process funds or securities for Clients.

### **Item 16 – Investment Management**

We manage Client Assets on a discretionary basis. Within a Client's specified investment objectives, we determine which securities and investments are bought or sold, the amount, the broker through which the order is worked (unless we are required to place the order with the trading desk of the Custodian) and, if achievable, the commission rates to be paid. In exercising our investment discretion, we follow the investment policies and restrictions in each IMA. Clients may also restrict certain securities from being purchased for their account.

We also manage assets on a non-discretionary basis. We provide research, advice and recommendations and discuss matters with these clients. However US Clients are responsible for their own transaction execution.

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

We do not vote proxies or give advice on voting proxies over Client Assets unless instructed to do so by the Client.

### **Item 18 – Financial Information**

We do not have any adverse financial information to disclose.