

**Part 2A of Form ADV: Firm Brochure**

**Item 1: Cover Page**

**Londinium Asset Management Ltd.  
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Monaco 98000  
377-9770-3581**

**January 1, 2020**

This brochure provides information about the qualifications and business practices of Londinium Asset Management Ltd. If you have any questions about the contents of this brochure, please contact us at 377-9770-3581 (phone) or [pravin@khatau.net](mailto:pravin@khatau.net) (e-mail). 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 Londinium Asset Management Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

Since the last amendment to this brochure, we have amended the brochure to disclose risks related to recent market developments. See “Item 8: Method of Analysis, Investment Strategies and Risk of Loss – Market Risk” for a discussion of these risks.

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#### **Item 4: Advisory Business**

Londinium Asset Management Ltd. (“Londinium”) was founded by Pravin Khatau, the Chief Executive Officer and sole owner in August 2006.

We offer investment advisory services to corporations and other business entities on investments in equity and convertible bond securities that are exchange-listed securities, securities traded over the counter and foreign issuers including securities listed in global markets; warrants; corporate debt securities (other than commercial paper); and option contracts on securities. We also advise on non-listed and alternative investments globally.

As of December 31, 2019, we managed USD \$69,000,000 million in proprietary assets on a discretionary basis. As of December 31, 2019, we did not manage any assets on a non-discretionary basis.

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

Our fees are based on 2% of assets under management. The fee is payable quarterly in arrears and is billed to the client.

The client will be responsible for all incurred fees and expenses such as custodian and brokerage fees.

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

We may charge a 20% performance fee with a high water mark.

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

We currently perform investment advisory services for Londinium’s proprietary account only. However, we may offer investment advice to corporations and other business entities. We do not impose a minimum dollar value of assets or any other condition for establishing or maintaining an account.

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

We use a fundamental top approach to our securities analysis, as well as charting and technical methods relying on a variety of information sources (e.g., financial newspapers and magazines, corporate rating services, company press releases) including live data feeds such as briefing.com. When implementing our investment advice given to clients, we apply investment strategies such as long and short term purchases, trading, short sales, margin transactions, and options writing, including covered options, uncovered options, or spreading strategies. We also tailor each portfolio according to the specific needs of the client. Please note that investing in securities does include the risk of loss that you should be prepared to bear.

The following are the principal risks of the types of securities in which we invest:

**Market Risk.** In the past decade financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. The prices of the securities in which we invest may decline for a number of reasons. A rise in protectionist trade policies, slowing global economic growth, risks associated with pandemic and epidemic diseases (such as SARS-CoV-2, sometimes referred to as the “corona virus”), risks associated with the United Kingdom’s departure from the European Union, the risk of trade disputes, and the possibility of changes to some international trade agreements, could affect the economies of many nations, including the United States, in ways that cannot necessarily be foreseen at the present time, and may negatively impact the markets in which we invest.

**Equity Securities.** The prices of the securities may decline for a number of reasons. The price declines of common stocks, in particular, may be steep, sudden and/or prolonged. Price changes may occur in the market as a whole, or they may occur in only a particular company, industry, or sector of the market.

**Fixed Income Securities.** Fixed income investments are subject to certain risks such as credit, interest rate and liquidity. When interest rates rise, the price of fixed income securities generally decline. Securities with longer maturities and lower credit ratings are generally more sensitive to interest rate changes than shorter-term, higher-grade securities. There is no guarantee that all interest payments will be received as scheduled, if ever and there is no guarantee that principal investment will be returned in full.

**Options and Warrants.** By purchasing a put option, the investor obtains the right (but not the obligation) to sell the option’s underlying security at a fixed strike price. In return for this right, the investor pays the current market price for the option (known as the option premium). The investor may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. If the option is allowed to expire, the investor will lose the entire premium it paid. If the investor exercises the option, it completes the sale of the underlying security at the strike price. The investor may also terminate a put option position by closing it out in the secondary market at its current price, if a liquid secondary market exists. The buyer of a put option can expect to realize a gain if security prices fall substantially. However, if the underlying security’s price does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the underlying security at the option’s strike price. A call buyer attempts to participate in potential price increases of the underlying security with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

Warrants are similar to call options in that the purchaser of a warrant has the right (but not the obligation) to purchase the underlying security at a fixed price. Warrants are

issued by the issuer of the underlying security whereas options are not. Warrants typically have exercise periods in excess of those of call options. Warrants do not carry the right to receive dividends or vote with respect to the securities they entitle the holder to purchase, and they have no rights to the assets of the issuer. Warrants are more speculative than the underlying investment. A warrant ceases to have value if it is not exercised prior to its expiration date.

**Short Sales Risk:** An investor will suffer a loss if it sells a security short and the value of the security rises rather than falls. It is possible that an investor's long positions will decline in value at the same time that the value of its short positions increase, thereby increasing potential losses to the investor. Short sales expose an investor to the risk that the investor will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the investor. Investment performance will also suffer if an investor is required to close out a short position earlier than intended. In addition, investors may be subject to expenses related to short sales that are not typically associated with investing in securities directly, such as costs of borrowing and margin account maintenance costs associated with open short positions. These expenses may negatively impact performance. Short positions introduce more risk to an investor than long positions (purchases) because the maximum sustainable loss on a security purchased (held long) is limited to the amount paid for the security plus the transaction costs, whereas there is no maximum attainable price of the shorted security. Therefore, in theory, securities sold short have unlimited risk.

### **Item 9: Disciplinary Information**

There have been no disciplinary actions against Londinium, its sole officer and owner, Mr. Khatau or any of its employees within the last ten years by any domestic, foreign or military court; the SEC, any other federal regulatory agency; any state regulatory agency or any foreign financial regulatory authority; or any self-regulatory organization (SRO).

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

We have no other financial industry activities or affiliations at this time.

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

We have adopted the following Code of Ethics and Professional Standards (the "Code") to help avoid prohibited acts and to eliminate potential conflicts of interest. The Code is designed to govern personal securities trading and detect/prevent insider trading. The Code, among other things, sets forth our policy that clients' interests are always placed ahead of any personal interest. This policy requires buying and selling after or with transactions completed for clients and includes procedures requiring all our employees to report their personal securities transactions to the Chief Compliance Officer on a periodic

basis. The Code also forbids any member or employee from trading, either personally or on behalf of others, on material non-public information or communicating material non-public information to others in violation of the law (i.e., insider trading). We believe that the Code, designed to detect and prevent insider trading and to govern personal securities trading, is appropriate to prevent or eliminate potential conflicts of interest situations between us, our employees and our clients. However, clients should be aware that no set of rules can possibly anticipate or relieve all potential conflicts.

As a professional organization serving the public in the area of asset management, we are guided in our actions by the highest ethical and professional standards. Our Code will be provided to clients upon written request.

## **Item 12: Brokerage Practices**

### **General Brokerage Practices**

Depending on the relationship with a client, we may determine for the client which securities are bought or sold, the total amount of the securities to be bought or sold, the broker or dealer through which the securities are to be bought or sold, and the commission rates at which transactions are to be affected. However, in making the decision as to which securities are to be bought or sold and the amount thereof, we are guided by the general guidelines which are set up for investments by the client. These general guidelines cover such things as relative asset allocation, the degree of risk and the types and amounts of securities to constitute the portfolio of the client. We manage the client's portfolio in accordance with these guidelines.

Upon selection of broker-dealers to effect transactions for the client, the policy is to seek the best execution at the best security price available with respect to each transaction, in light of the overall quality of brokerage and research services provided to the client.

In selecting a broker to execute securities transactions, a variety of factors will be considered, including best price and/or quality of execution for sizable trades and the quality of the research and services provided by the broker. In any case, we will review with the client, the brokers we will use to execute trades, to make sure that they are acceptable to the client. We do not accept any sort of soft dollar arrangements from any firm with whom we do business.

### **Directed Brokerage**

In some instances, we may accept direction from clients as to which broker-dealers are to be used. Typically, the client has an arrangement with such broker-dealer which results in the client receiving some benefit from the broker-dealer in exchange for the directed brokerage. Any such direction must be in writing and accepted by us before it will be effective. It is our policy generally to accept such direction to the extent it is consistent with our ability to seek best execution.

Clients directing brokerage should be aware that by directing brokerage in this fashion we may be unable to achieve most favorable execution of client transactions and this direction may cost clients more money. The following risks are related to this type of brokerage direction: the direction may result in higher commissions, greater spreads or less favorable net prices than would be the case if we selected the brokers; the direction generally will result in trades for the client's account not being aggregated with similar trades for other client accounts and thus will not be eligible for the benefits that accrue to such aggregation of orders; that as a result of not being aggregated, client transactions will generally be executed after client accounts whose trades are aggregated and may receive less favorable prices; and that because of the direction, a client's account may not generate returns equal to those of other client accounts which do not direct brokerage.

### **Aggregation**

It is our policy to seek to aggregate or bunch orders for the purchase or sale of the same security for multiple client accounts where we deem this to be appropriate, in the best interests of the client accounts, and consistent with applicable regulatory requirements. Such aggregation may be able to reduce commission costs or market impact on a per-share and per-dollar basis, because larger orders tend to have lower commission costs. The decision to aggregate is only made after we determine that it does not intentionally favor any account over another; it does not systematically advantage or disadvantage any account; and we do not receive any additional compensation or remuneration solely as the result of the aggregation.

### **Allocation of Investment Opportunities**

It is our policy to allocate, to the extent operationally and otherwise practical, investment opportunities to each client over a period of time on a fair and equitable basis relative to our other clients.

We may make recommendations and take actions with respect to a particular client's account that may be the same as or may differ from the recommendations made or the timing or nature of action taken with respect to other client accounts. All such actions are based on our assessment of what is best for the individual client account and no strategy or category of accounts is favored over others.

### **Item 13: Review of Accounts**

The sole Portfolio Manager and sole reviewer, Pravin Khatau, will continually review the transactions effected, and current assets and expenses as compared to the investment objectives.

Clients will receive unaudited quarterly reports and an annual report. In addition, investors within a fund being managed by us will receive a report within 45 days of the end of the calendar year for their individual income tax reporting obligations with respect to their investment in the fund.



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

We do not refer clients nor do we receive any other compensation in connection with referrals.

#### **Item 15: Custody**

The custody of funds will be placed with either banks or brokerages where the client has an existing relationship or to a major bank or broker-dealer introduced by us. The client will receive a quarterly statement from the custodian directly. The client should carefully review these statements.

#### **Item 16: Investment Discretion**

We currently only have investment discretion for the proprietary account of the sole owner, Londinium.

#### **Item 17: Voting Client Securities**

We do not vote proxies on behalf of Clients. Clients must coordinate with their custodians to receive and vote on proxies.

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

There are no financial issues that are likely to impair our ability to meet our contractual commitments.

#### **Item 19: Requirements for State Registered Advisers**

Not Applicable.

**Part 2B of Form ADV: Brochure Supplement**

## **Brochure Supplement – Pravin Khatau**

### **Item 1. Cover Page**

**Pravin Khatau  
Londinium Asset Management Ltd.  
11 Avenue Princesse Grace  
Monaco 98000**

**January 1, 2017**

This supplement provides information about Pravin Khatau that supplements the Londinium Asset Management Ltd. brochure. You should have received a copy of that brochure. Please contact me if you did not receive our brochure or if you have any questions about the contents of this supplement.

## **Item 2. Educational Background and Business Experience**

Name: Pravin Khatau

Year of Birth: 1960

Formal Education after High School:

UCLA, B.A., Wharton School, M.B.A.

Business Background for Preceding Five Years:

Self-employed, Director of Londinium Asset Management Ltd. (formerly LRM Holdings, Inc.), 1996-present

Executive Director, Goldman Sachs & Co., London, UK, 1985-1994

## **Item 3. Disciplinary Information**

None.

## **Item 4. Other Business Activities**

None.

## **Item 5. Additional Compensation**

None

## **Item 6. Supervision**

Not Applicable.