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**SEC Form ADV Part 2A**

**“Brochure”**

**March 26, 2020**

**This Brochure provides information about the qualifications and business practices of Pt Capital Advisors, LLC. If you have any questions about the contents of this Brochure please contact us by telephone at +1 (907) 433-6600 or by email at [mmoore@ptcapital.com](mailto:mmoore@ptcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Pt Capital Advisors, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**This Brochure does not constitute an offer to sell or the solicitation of an offer to buy any securities. Potential investors should refer to the offering documents of the applicable private fund client prior to considering an investment in such private fund client.**

## **Item 2: Material Changes**

### ***Summary of Material Changes***

This Brochure contains updated information about PT Capital Advisors, LLC's (referred to herein as "PT Capital," "Firm," "Company" or "Adviser") business since the last annual update dated March 27, 2019. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery of this document on the SEC's public disclosure website (IAPD). The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. PT Capital wants to make you aware of the following material changes:

- We have expanded the disclosure in Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss to reflect additional risks and conflicts related to PT Capital. In addition, we updated our regulatory assets under management in Item 4, as well as Item 5 to reflect additional advisory conflicts related to PT Capital.

Additional information about PT Capital is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with PT Capital who would be required to be notice filed as investment adviser representatives of PT Capital. If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our CCO Mike Moore at (907) 433-6600. We encourage you to read this document in its entirety.

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

##### **A Description of the Advisory**

Pt Capital Advisors, LLC (“Pt Capital Advisors,” “we,” or “our”) is limited liability company organized under the laws of the state of Alaska in 2013. Pt Capital Advisors is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. The sole member of Pt Capital Advisors is Pt Capital, LLC. We provide asset management and investment advisory services on a discretionary basis to our clients (“Clients”), which are special purpose limited partnership funds (“the Funds” and each a “Fund”).

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

Our investment focus is based on long-term capital appreciation through investment in operating companies with positive revenues and EBITDA in, but not limited to, the following industries: seafood and service and support; tourism; logistics and transportation; and natural resource service and support companies. Pt Capital Advisors is primarily focused on companies in the Arctic regions of the United States, secondarily in Canada, Greenland, and Iceland. These investments may have significant levels of risks and generally are available only to qualified purchasers / accredited investors. From time to time, where such investments consist of portfolio companies, Pt Capital Advisors’ principals may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

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

Pt Capital Advisors generally does not tailor its advisory services to the specific investment objectives of the Fund investors. The investment services that we provide to the various Funds are outlined in each Fund’s Partnership Agreement and Private Placement Memorandum, generally, the limited partners in a Fund may not impose restrictions, limitations, or other expectations to the finalized Partnership Agreement and Private Placement Memorandum, especially, as it relates to the investment style and objectives of such Fund.

##### **D Assets Under Management**

As of December 31, 2019, Pt Capital Advisors, LLC managed approximately \$110,659,378 on a discretionary and non-discretionary basis.

#### **Item 5: Fees & Compensation**

In consideration for PT Capital’s advisory and other services, PT Capital and/or certain of its affiliates generally are entitled to receive management fees, and may receive performance allocations, with respect to the Funds. While the fees and compensation applicable to each Fund are described in detail in the applicable governing documents, side letters and/or fee agreements, an overview of PT Capital’s basic fee schedule is summarized below. A potential investor should read and review all governing documents in their entirety before making any investment decisions.

Pt Capital Advisors provides investment advisory services to the various private equity funds (each a “Fund” or collectively the “Funds”) that are each managed by an affiliated General Partner (“GPs” and each a “GP”). The fees outlined herein represent fee guidelines, and Pt Capital Advisors reserves, at our sole discretion, the right to negotiate fees with any client or prospective client. The fees are described in detail in the Private Placement Memorandum for each Fund we manage.

*Management Fees:* In consideration for its advisory services to the Private Funds, PT Capital receives a “Management Fee” from each respective Private Fund. The specific payment terms and other conditions of the Management Fees available to PT Capital are set forth in the applicable Private Fund’s governing documents, side letters and/or fee agreements. The Management Fees are generally a percent of the Private Funds’ investors aggregate capital commitments or a percent of the Private Funds’ total invested capital, on the appraisal date, payable quarterly or monthly in arrears or in advance. Management Fees are generally paid to PT Capital in one of two ways: by deducting such fees from the applicable Private Fund or directly billing the Private Fund. Upon the termination of PT Capital’s Investment Management Agreement with a Private Fund, PT Capital will refund to the Private Fund the pro-rated portion of any Management Fee already received by the Private Fund for the period following the effective date of such termination.

PT Capital may, in its sole discretion, waive all or any portion of the Management Fee with respect to any investor.

#### **A. Expenses**

The Partnership will be responsible for and will pay (or reimburse the General Partner) for reasonable expenses incurred in connection with the business of the Partnership, including, without limitation: (a) all expenses of organizing, starting-up and closing the Partnership and offering the Units to potential investors, including legal, accounting, filing, capital raising, offering, placement and other expenses (b) all costs and expenses relating to the activities of the Partnership (to the extent not reimbursed by a Partnership portfolio investment), including the Management Fee, legal, auditing, consulting and accounting expenses (including expenses associated with the preparation of Partnership financial statements, tax returns and K-1s), insurance and expenses associated with the identification, evaluation, acquisition, holding, valuation and disposition of Partnership investments, all expenses in connection with transactions not consummated, and extraordinary expenses (such as litigation, if any).

PT Capital bears its own operating, general, administrative and overhead costs and expenses.

## **A. Fees**

Pt Capital Advisors is generally compensated through a two percent (2%) asset management fee that is equal to the aggregate commitments during the designated commitment period of the specific Fund and the aggregate funded commitments after the commitment period. This fee is generally prorated and paid quarterly, in advance. The terms of the specific Fund as well as the custodian's custodial/clearing agreement may authorize the custodian to debit Clients' accounts for the amount of our asset management fee and to directly remit the management fee to us.

The GP, which is affiliated with Pt Capital Advisors, may charge a twenty percent (20%) carried interest in the Funds after the limited partners have received a preferred return. The amount of the preferred returned will be negotiated for each specific Fund.

Additional information about the fees and carried interest that are paid to Pt Capital Advisors is set forth in detail in the respective Partnership Agreement and Private Placement Memorandum for each Fund.

### ***Other Fees and Expenses***

*Organizational Expenses:* In general, each Client, subject to its governing documents, will typically pay or otherwise bear its organizational expenses, subject to a specified expense cap which may vary from Client to Client. Any organizational expenses in excess of the specified expense cap will be borne by the applicable General Partner (or its equivalent) or offset against Management Fees. Such organizational expenses generally may include legal, accounting, filing, capital raising, placement agent fees, travel, accommodation, meal and other similar fees, costs and other expenses (collectively, the "Organizational Expenses").

*Operating Expenses:* In general, each Client, subject to its governing documents, will typically pay or otherwise bear all of the direct and indirect fees, costs, expenses and other liabilities or obligations resulting from or arising in connection with its operations (collectively, the "Operating Expenses"). The Operating Expenses of a particular Client are set forth in its governing documents and/or through side letters and may include, without limitation, the following fees, costs and expenses related to or arising from: investment expenses (i.e., expenses that PT Capital reasonably determines to be related to the acquisition, holding and disposition of the Client's assets, such as due diligence expenses, brokerage fees and commissions, expenses relating to clearing and settlement charges, custodial fees, bank service fees, interest expenses, taxes and expenses related to proposed investments that are not consummated), investment-related travel expenses, insurance expenses, legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, indemnification expenses of the Client, investor communication expenses, all unreimbursed out-of-pocket expenses of the Client relating to unconsummated transactions (including legal, accounting and consulting expenses), legal expenses, internal and external accounting expenses (including the cost of accounting software packages), auditing expenses, fees relating to the preparation of financial and tax reports, investor reports, portfolio valuations and tax returns of the Client, fees and expenses of any administrator or other service provider to the Client, interest, fees and expenses arising out of all permitted borrowings made by the Client, clearing and settlement charges, bank services fees, the costs of any litigation or threatened litigation, director or officer liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Client, all costs and expenses incurred in connection with the dissolution, liquidation and

winding-up of the Client or any portfolio company investment, any sales or other taxes, fees or other governmental charges levied against the Client and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Client, costs and expenses (including travel-related expenses) of hosting annual or special meetings for the Client's investors, or otherwise holding meetings or conferences with investors, expenses of the Client's advisory board (including the costs of any counsel or other advisors engaged by the Client's advisory board) and all other expenses of the Client.

In general, the foregoing categories of fees, costs, expenses and other liabilities shall be Organizational Expenses and Operating Expenses, respectively, regardless of whether the person or entity providing or performing the service or output giving rise to such fees, costs, expenses or other liabilities is associated with the Client (such as the General Partner (or similar person) of such Client, PT Capital or any of its respective affiliates) or is a third party.

Allocation of Expenses: PT Capital and its affiliates from time to time incur fees, costs and expenses on behalf of more than one Client or multiple Clients. To the extent such fees, costs and expenses are incurred for the Client or benefit of more than one Client, each Client will typically bear an allocable portion of any such fees, costs, and expenses generally in proportion to the size of its investment in the activity or entity to which the expense relates (subject to the terms of each Client's applicable governing documents) or in such other manner as PT Capital considers fair and equitable under the circumstances. PT Capital endeavors to allocate such fees, costs and expenses on a fair and equitable basis over time.

## **B. Fee Billing**

As set forth above, management fees are generally prorated and paid quarterly, in advance. Any unearned fees shall be pro-rated and refunded to the Client in the event the relationship is terminated prior to the end of the billing cycle. The Funds' GP may also charge a 20 percent (20%) carried interest in the Funds after the limited partners have received a preferred return. Please refer to the relevant Fund's Partnership Agreement and Private Placement Memorandum for a complete understanding of how fees payable by the Funds and their investors are calculated and deducted. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's governing documents.

## **C. Other Fees and Expenses**

In addition to asset management fees and carried interest allocations, the Funds may bear certain organizational expenses. Also, in certain cases, a privately held investment may be exited by means of an initial public offering or acquired by means of a publicly traded purchaser issuing shares as all or part of the consideration. In these instances, the broker-dealers may charge brokerage commissions and/or transaction fees for executing certain securities transactions. Additional information regarding the expenses allocated to the Funds may be found in each Fund's Partnership Agreement and Private Placement Memorandum.



## **Item 6: Performance-Based & Side-By-Side Management**

As referenced in Item 5 above, Pt Capital Advisors may receive a carried interest allocation, which is a performance-based fee. These are fees based on a share of capital gains on or capital appreciation of the assets of the Funds. The nature of these fees is described in more detail in the applicable Partnership Agreement and Private Placement Memorandum. These fee arrangements may create an incentive for Pt Capital Advisors to make more speculative investments or increase Pt Capital Advisors focus on short-term profits rather than focusing on long-term capital appreciation. This could expose the portfolios to additional levels of risk than otherwise would be the case. Despite the presence of these conflicts of interest, we seek to act fairly when we allocate investment opportunities and value Client assets. Pt Capital Advisors has adopted written policies and procedures that are designed to ensure fair allocations and valuations over time.

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

Pt Capital Advisors provides investment advisory services to affiliated private equity Funds.

We do not impose minimum requirements on our private investment fund clients. Our private fund clients, however, generally impose minimum investment commitments (unless otherwise waived by us, in our sole discretion) and require them to satisfy certain suitability standards.

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

Pt Capital Advisors' investment philosophy is based on generating above-market returns by means of concentrating the investment focus of the limited partnerships managed by its affiliates, in their capacity as the general partner, in the Arctic regions of North America and Europe, except Russia. The rationale for focusing on these regions is based on the employees of Pt Capital Advisors and its affiliated entities, which serve as general partners of the limited partnerships organized by Pt Capital Advisors, experiences in Arctic investing (Alaska), the global investing experience of our founders, and the limited competition among other private equity funds for transactions in these areas.

Despite our best efforts to control risk, investing in our limited partnerships involves risk of loss that clients should be prepared to bear.

### **A Analysis and Investment Strategies**

Investing in the Arctic requires a unique set of disciplines, which involves an assessment of the economic, political, and indigenous landscape. The Fund's overarching investment objective is to generate risk-adjusted returns for its limited partners by investing in buy-out opportunities of operating companies in the Arctic region, specifically Alaska, Canada, Iceland and Greenland. The Arctic is an emerging market, where regional economies are growing at a higher risk-adjusted rate than those of other emerging markets, with the strength of the U.S rule of law and U.S. Dollar. In

addition, the competition for private equity transactions in the Arctic is considerably lower when compared to other emerging markets.

The key driver of the Arctic economy is the long-term global population growth that drives demand for protein and other natural resources, as well as the transportation of goods across the Arctic Ocean as sea ice decreases. In addition, significant infrastructure investments are anticipated in the form of ports, pipelines, roads, and power generation.

The Funds will not typically invest in oil and gas exploration and production, and mining and related exploration and production. Executing our strategy and applying our value platform can enable the Funds to acquire, or take majority positions in, profitable operating companies that have the potential to capitalize on the increased level GDP that has and will continue to take place in the Arctic.

A core focus of the Fund will be to obtain majority or joint venture positions at attractive valuations and optimize and increase their overall profitability with a focus on execution of strategy. Corporate governance and a strict adherence to U.S. GAAP are key principals of our firm. Investments in these companies may take the form of preferred equity.

Executing this strategy, coupled with the management team's disciplined approach to investing in companies with intrinsic value benefiting from attractive margins and cash flow generation, could result in profitable exit opportunities to firms interested in geographic expansion and EBITDA growth in the Arctic's emerging market.

The drivers of natural resource demand and the resulting prices are based on global economic and political forces that are beyond the control of Pt Capital Advisors and it is not possible for our analysis and price predictions to be accurate at all times. Existing market conditions today are an example of the volatility that exists within the industry and provides our investors a significant opportunistic strategy to acquire assets as a favorable valuation and multiple.

Our primary investment strategy is centered on affirmative answers to the following primary elements:

1. Can we effectively deliver our value platform to generate a compounded annual return of at least 20 percent (20%);
2. Is the potential for substantial growth and efficiencies present; and
3. Is the management team in place capable of providing these results?

Elements of these items include a thorough analysis of items with respect to market feasibility and technical feasibility. In many instances, Pt Capital Advisors may engage consultants to guide them in matters related to the technical and market feasibility of certain proposed investments. It should be noted, however, that in no instances will any retained consultant provide an outright assurance or recoverable guaranty that the proposed investment will be successful and meet our desired rates of return.

The analysis of each proposed investment will be in the form of an Investment Memorandum that outlines the prospective investment, historical financial and projected

performance, macroeconomic and industry analysis, competition and market share analysis, management team overview, deal structure, historical and projected capital expenditures, and recommendations. After the Pt Capital Advisors investment team compiles the analysis, it is then presented to the Investment Committee, which consists of Joseph Sanberg, Hugh Short (CEO, President and Director), Francisco Sanchez (Sr. Managing Director) and Michael Moore (CFO, CCO)). The analysis is discussed in a collaborative setting and may be rejected, approved, or deferred until additional questions or answers or issues are resolved.

## **B Risk of Loss**

Most of the risk mitigation is done before the investments are made by means of the analysis processes described in the preceding section. Key parts of the risk mitigation involve background checks on the entities and persons that may be involved with the venture. In instances where the investment involves an asset that is leased to third parties, the financial viability and creditworthiness of the lessee(s) are also investigated.

In instances where there are operational or technical elements involved with the proposed investment, Pt Capital Advisors may engage consultants to assess the feasibility and possibly suggest alternatives for consideration.

In some Arctic regions, particularly in Alaska, the indigenous groups have a very high level of participation in the decision-making process. In some instances, these groups are the only owners of private land in particular areas. Our mission statement illustrates the solid relationships and partnerships we have with many of these groups, “Pt Capital Advisors exists to responsibly develop the Arctic in partnership with local stakeholders.”

In many instances, the indigenous groups have terminated projects after construction has commenced for a variety of reasons. Our deep understanding of the local cultures and active partnerships with these groups substantially reduces the political risk involved with investments in the Arctic regions of Alaska.

At the present time, all of the planned investments of our clients will be concentrated in the Arctic. The Funds are generally not permitted to invest more than 15 percent (15%) of the capital to in any one portfolio company.

## **C Other Risks**

The following is not a complete or exhaustive list of risks involved in investing in the Funds. Investors should consider such risks, read the relevant offering documentation in its entirety, and should conduct their own due diligence and obtain professional advice as they deem necessary to make the determination whether to invest.

***Nature of Investment.*** The Funds by their nature may invest in securities that are not registered for public resale. Consequently, their investment time horizon is comparatively longer than would be the case for publicly traded securities, and there are necessarily significant limitations on the Funds' ability to achieve liquidity. The strategies the Funds employ involve a substantial degree of risk, and the Funds may lose all or a substantial portion of their investments. Investors bear the risk of loss that the Funds' investments entail.

***Investment Risk.*** Identifying, selection and realizing investment opportunities involve a high level of risk and uncertainty. Pt Capital Advisors may be in competition with other funds and managers with similar investment philosophy or objectives. There is no guarantee that Pt Capital Advisors' investment strategy will be successful or result in rates of return that are consistent with historical performance or market indices in the relevant sector.

***Borrowing/Leverage Risk:*** Pt Capital Advisors may consider using borrowed funds to finance investments. Borrowing and other transactions that create leverage have the potential to increase overall returns; but they will further diminish the returns to the extent returns are less than the cost of the Funds.

***Due Diligence Process Risk.*** The due diligence process involves subjective analysis and may not reveal all materials facts or circumstances.

***Foreign Assets Risk.*** In case of the investments in foreign securities or other assets, any movement in currency exchange rates and any volatility in U.S., European and global markets will affect the value of such investments.

***Illiquidity Risk.*** Most investments made by Pt Capital Advisors will be highly illiquid, and there is no guarantee that a Client will be able to realize the investments. Illiquidity may result from the absence of an established market for the investments, as well as legal and contractual restrictions on their resale as they are acquired from the issuer as "private placement" transactions.

***Inflation.*** The Funds may invest in countries that have experienced substantial rates of inflation in recent years. Rapid fluctuation in inflation rates may have negative effects on the economies and securities markets of certain countries. There is no assurance that the inflation will not have an adverse impact on Funds' investments and returns on such investments.

***Valuation of Investments.*** Most of the investments are not publically traded. As such, the fair value of the investment may not be readily determinable. PT Capital Advisors expects to value the investments at fair value in good faith, however, because such valuations, and particularly valuations of private investments and private companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates.

***New Venture.*** The Partnership will not have any financial or operating history. The Partnership's future prospects must be weighed against the risks and difficulties frequently encountered by companies in the early stages of a business enterprise. The Partnership cannot provide any assurances that it will be successful in addressing these risks or achieving its objectives.

***No Assurance of Projected Results.*** The General Partner will generally determine the appropriate capital structure for each entity in which the Partnership invests based upon financial

projections for that company. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projection. General economic conditions, which are not predictable, can have a material adverse impact on the accuracy of projections.

***Portfolio Company Investment Risk.*** The Partnership will invest in a limited number of portfolio companies. Hence, the aggregate return of the Partnership may be affected by the performance of a few holdings. To the extent that less capital is raised than targeted, the Partnership may make fewer investments and thus be less diversified. It is possible that the Partnership will never be fully invested if not enough quality investments are available or identified by the General Partner due to intense competition or the marketplace. However, Limited Partners will be required to pay annual Management Fees based on the entire amount of their Commitments, or the amount of their unreturned capital contributions, as applicable.

***Dilution.*** Limited Partners admitted to the Partnership at subsequent closings will participate in then existing investments of the Partnership, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Partnership's existing investments at the time of such contributions.

***Restricted Nature of Investment Positions.*** Generally, there will be no readily available market for a substantial number of the Partnership's investments, and hence, most of the Partnership's investments will be difficult to value. Disposition of such investments may require a lengthy time period or may result in distributions in kind to Partners.

***Limited Transferability of Units.*** There will be no public market for the Units, and none is expected to develop. There are substantial restrictions upon the transferability of Units under the Partnership Agreement and applicable securities laws. In general, withdrawals of investment in the Partnership are not permitted. In addition, Units are not redeemable.

***Experience of and Reliance upon the General Partner.*** Management of the Partnership, including the right to exercise control over the Partnership's investment decisions, is vested exclusively in the General Partner in accordance with the Partnership Agreement. The General Partner has authority to manage, control and operate the affairs and business of the Partnership and to make decisions in relation thereto, and will have broad discretion with respect to such matters. Limited Partners generally have no right or power to take part in the management of the partnership and, as a result, the investment performance of the partnership will depend entirely on the actions of the General Partner. Although the General Partner will monitor the performance of each portfolio company, it will primarily be the responsibility of each portfolio company's management team to operate such company on a day-to-day basis.

***Privacy/ Cybersecurity Risk.*** The risk of actual and attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to PT Capital interconnectivity with third-party vendors, exchanges, clearing houses and other financial institutions, PT Capital, and thus indirectly our clients, could be adversely impacted if any of them is subject to a successful cyber-attack or other information

security event. Although PT Capital takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact or render PT Capital unable to transact business on behalf of clients.

***Performance-Based Fees for PT Capital and Valuations.*** When PT Capital's compensation is based on the value or performance of investments, PT Capital has an incentive to value a position at a price higher than it might otherwise be valued or to accelerate or defer realizations. To the extent that performance allocations may be based on increases in the net assets of a Fund, PT Capital's compensation would be based upon unrealized appreciation as well as realized appreciation. This means that PT Capital may be compensated on performance that is ultimately not realized if positions decrease in value and are subsequently sold at a loss. The potential for inflated valuation of positions is increased when such positions are illiquid or otherwise lack a readily ascertainable market value. PT Capital seeks to mitigate this conflict by valuing assets in accordance with its valuation policy, which is reasonably designed to assure that valuations are performed in a consistent and thorough manner that insulates the conflict. In general PT Capital considers the views of outside experts, including third-party valuation firms, in determining the value of illiquid or other hard to value assets. PT Capital further seeks, on a best effort basis, to receive third party valuations from broker/dealers for investment holdings of the Funds managed by PT Capital.

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

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you.

There are no reportable material legal or disciplinary events related to PT Capital. In the ordinary course of its business, PT Capital and its management persons have in the past been, and may in the future be, subject to periodic audits, examinations, claims, litigation, formal and informal regulatory inquiries, subpoenas, employment-related matters, disputes, investigations, and legal or regulatory proceedings, involving the SEC, other regulatory authorities, or private parties. Such audits, investigations, and proceedings have the potential to result in findings, conclusions, settlements, charges or various forms of sanctions against PT Capital or its management persons, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions and may increase the exposure of clients, and PT Capital to potential liabilities and to legal, compliance and other related costs. In addition, such actions or proceedings may involve claims of strict liability or similar risks against Clients in certain jurisdictions or in connection with certain types of activities.

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

### **A. Selection of Other Advisors or Managers and How We Are Compensated for Those Selections**

In connection with our advisory services, Pt Capital Advisors may select other investment advisers to manage an affiliated Fund. Any compensation will be negotiated at the time such relationship is established.

### **B. Other Affiliates**

Pt Capital Advisors' affiliates, Pt Arctic Fund I GP, LLC and Pt Buyout Fund II GP, LLC, Delaware limited liability companies, serve as the general partner to Pt Arctic Fund I, LP and Pt Buyout Fund II, LP, Delaware limited partnerships, respectively. The following table sets forth the activities of each affiliate.

<b>Affiliate</b>	<b>Activities</b>
Pt Holding Company, LLC	Holding company
Pt Capital, LLC	Parent company of Pt Capital Advisors, LLC. Pt Capital also provides business consulting on a selective basis.
Pt Securities Holding Company, LLC	This entity is the holding company for Pt Securities, LLC.
Pt Arctic Fund I, LP	This entity is a private equity fund that focuses on private equity opportunities in the Arctic regions of the United States, Canada.
Pt Arctic Fund I GP, LLC	This is a special purpose entity that serves as the GP of Pt Arctic Fund I, LP. This entity will receive the carried interest portion of the fee structure for Pt Arctic Fund I, LP.
Pt Buyout Fund II, LP	This entity is a private equity fund that aims to generate returns for investors by investing in companies serving the Arctic region.
Pt Buyout Fund II GP, LLC	This is a special purpose entity that serves as the GP of Pt Buyout Fund II, LP. This entity will receive the carried interest portion of the fee structure for Pt Buyout Fund II, LP.

In May 2018, PT Arctic Fund I made a minority investment in Prime Hotels in which it acquired 37.5% of its equity from its then-sole shareholder, Eero Nuutinen. Thereafter, Mr. Nuutinen invested in PT Holding Company, LLC and owns approximately 2% of PT Holding Company, LLC.

## **Item 11: Code of Ethics, Participation in Client Transaction and Personal Trading**

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

Pt Capital Advisors has implemented a Code of Ethics (the “Code”) that is applicable to all our employees. We place great emphasis on complying with all applicable laws and regulations governing our practices as an SEC-registered investment adviser. Therefore, we have established firm guidelines related to the professional standards of conduct for our employees, which emphasizes the protection of Client interests at all times and demonstrates our commitment to our fiduciary duties of honesty, exhaustive due diligence and analysis, good faith, and fair



dealing with Clients. All of our employees are expected to adhere strictly to the guidelines outlined in the Code, which requires them to submit personal securities transactions and holdings reports to us that are reviewed by our Chief Compliance Officer on a periodic basis. Also, the employees are encouraged to report any violations of the Code to our Chief Compliance Officer. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of any material non-public information related to our Clients or their account holdings by us or any of our employees.

A copy of the Code of Ethics can be obtained by any client or prospective client upon request by contacting our Chief Compliance Officer, Michael Moore at [mmoore@ptcapital.com](mailto:mmoore@ptcapital.com).

## **B. Interest in Client Transactions & Personal Trading**

Pt Capital Advisors solicits investors to invest in the Funds which Pt Capital Advisors manages and for which we receive a management fee. Employees of the Firm may also be investors in the Funds.

As stated in our Code of Ethics, our fiduciary duties to our Clients are paramount and we always attempt to align our interests with those of clients. Pt Capital Advisors' access persons are technically allowed, with some restrictions, to purchase securities in their personal accounts, which might also be purchased for Clients. The Code of Ethics is designed to prevent such transactions from taking place when they might advantage an access person and disadvantage a Client. Nonetheless, since the Code of Ethics does allow access persons and Clients to potentially hold the same security, there is a possibility that access persons might benefit from market activity by a Client in a security held by the access person. Persons associated with us may own private securities in forms that are also owned by our limited partnerships. Employees of Pt Capital Advisors may own limited partnership interests as well. It is our policy that our employees shall not have priority over any Client account in the purchase or sale of private securities that are held by limited partnerships managed by affiliated GPs and advised by Pt Capital Advisors.

## **C. Investment in Securities Recommended to Clients**

See Item 11.B. above.

# **Item 12: Brokerage Practices**

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

Pt Capital Advisors has full discretion to select brokers, when necessary, to execute transactions for the Funds it manages and to negotiate and determine the commissions to be paid for such transactions. To address potential conflicts, Pt Capital Advisors may consider a number of factors when selecting a broker or dealer for a transaction, including the broker's execution capability, the broker's responsiveness to Pt Capital Advisors, the broker's reputation and access to the markets for the security being traded, the efficiency with which the trade will be executed, commission rates and the value of the research products and services that a broker lawfully may provide to assist Pt Capital Advisors in the exercise of its investment decision-making responsibilities, and the expected market impact of the trade. The determining factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution for our Clients.

Should Pt Capital Advisors take part in a transaction involving publicly traded securities, it will enter into a custody arrangement with a qualified custodian. Custodians may charge clients separately for custody services and executing broker-dealers are compensated by accountsholders through the commissions and other transaction or asset-based fees for securities trades that are executed through them. Should we take part in a transaction requiring a qualified custodian, our considerations in recommending a custodian will be based on a number of factors including but not limited to their historical business relationship with us and their financial strength, reputation, execution capability, pricing, research and services, relatively low transaction and commission fees and reporting ability.

In making the decision to establish a brokerage/custodial relationship with a custodian, we may take into account the availability of some of the foregoing products, services and other arrangements offered to us as part of the total mix of factors we consider and not solely the nature, cost or quality of custody and brokerage services provided to us by the custodian, which may be perceived as creating a potential conflict of interest. We will not receive referrals from the custodian in exchange for using their services.

Currently, Pt Capital Advisors does not receive research or other products or services other than execution from a broker-dealer or a third party (“soft dollars”). Should we decide to use soft dollars, all soft dollar arrangements made shall be consistent with Section 28(e) of the Securities Exchange Act of 1934.

## **B. Brokerage for Client Referrals**

We may consider the prospect of receiving, or thereceipt of referrals, of potential investors to the Funds when selecting or recommending broker-dealers for Client securities transactions. This practice may serve as an incentive for us to select or recommend a broker-dealer based on our interest in receiving referrals rather than on a Client’s interest in receiving most favorable execution.

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

### **A. Frequency and Nature of Periodic Reviews**

Pt Capital Advisors does not perform reviews of individual investor accounts due to the nature of the investors and the private nature of the investments the limited partnerships will make. Pt Capital Advisors will however provide periodic valuation reports on the investments held by a Fund to the GPs.

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

As noted above, Pt Capital Advisors does not perform reviews of individual Client accounts due to the nature of the investments that are made.

### **C. Reports to Clients**

Investors in a Fund are provided with quarterly summaries of the investment and the performance of portfolio companies. Investors will be also provided with an annual audited financial statement of the limited partnerships, which provides a valuation and performance of its holdings

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

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

Pt Capital Advisors receives no economic benefit for providing investment advice to Clients other than as outlined in Item 5.

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

Pt Capital Advisors has retained TAG Capital Limited (“TAG”) to solicit prospective investors in the Funds. For services rendered, TAG receives a fee in an amount set forth in the agreement between Pt Capital Advisors and TAG. The fee is paid entirely by Pt Capital Advisors.

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

A qualified custodian will hold all funds of the Fund, and the custodian will provide account statements to each of our Clients on no less a quarterly basis. Further, the Fund is audited annually by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board. In addition, audited financial statements are prepared for the Funds in accordance with generally accepted accounting principles in the United States and are sent to all of the Funds’ investors.

Investors in the Funds are encouraged to review these audited financial statements.

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

Limited partners in a Fund will provide the affiliated GPs with discretionary authority to exercise full discretion over the investments made by the Fund or Funds in which they are limited partners.

Such discretionary authority granted to the GPs is set forth in the Private Placement Memorandum and related Subscription Agreement that is executed between by the limited partners the GP, and Pt Capital Advisors as the investment adviser to the Fund. However, our investment authority and discretion is subject to specified investment objectives, guidelines and/or conditions that are outlined in each Fund's Private Placement Memorandum.

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

This item is not applicable to Pt Capital Advisors.

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

Pt Capital Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has never been the subject of a bankruptcy proceeding.