

Item 1 – Cover Page

Firm Brochure – Form ADV Part 2A



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February 15, 2021

This brochure provides information about the qualifications and business practices of Premium 72 Capital, LLC, doing business as Premium 72 Capital. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer (“CCO”) at (910) 720-7200 or compliance@premium72.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Premium 72 Capital is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by name or by a unique identifier known as a CRD number. Premium 72 Capital’s CRD number is 284519.

The use of the terms “registered investment adviser” or “registered” by us does not imply by itself any level of skill or training. Each registered adviser must provide advisory clients a brochure and brochure supplements with clearly written, meaningful, current disclosure in a standard format. Please consider the oral and written communications we provide to you, including this brochure, as you decide to hire us or manage your ongoing relationship with us.

Item 2 - Material Changes

Since the annual amendment filed June 9, 2020, the Firm has made the following changes:

As of September 2, 2020

- The Financial Industry Regulatory Authority (“FINRA”) approved a change in equity ownership of broker-dealer R.M. Stark & Co., Inc. (CRD# 7612) in which OPC Advisors, LLC, doing business as Premium 72 Capital, purchased 100% of the parent company of the broker-dealer. This change impacts *Item 10 – Other Financial Industry Activities and Affiliations*.

As of November 14, 2020

- On November 13, 2020, OPC Advisors, LLC, doing business as Premium 72 Capital, filed a name change to Premium 72 Capital, LLC with the State of Texas; this change became effective the next day. This change impacts Item 4 – Advisory Business.

As of January 6, 2021

- Premium 72 Capital seeks registration with the Securities and Exchange Commission to expand the organization to serve prospective clients outside of Texas. These clients will be served in various states from three offices (see below locations) by individuals whom Premium 72 Capital seeks to register as Investment Advisory Representatives (“IARs”). **This change impacts all sections** because the existing investment advisory contracts between each client and the IAR’s prior firm is being assigned to Premium 72 Capital without change to the terms of the contracts. Therefore, a variety of services and various methods of analysis and investment strategies have been added to our Brochure and will vary based on the IAR providing advice. Services, models, and strategies used by one IAR will be different than the strategies used by other IARs because Premium 72 Capital permits flexibility and does not require or mandate a particular investment strategy be implemented by its IARs, subject to Premium 72 Capital supervision and compliance requirements.
- Premium 72 Capital begins offering services from new locations in Ohio and South Carolina, impacting *Item 4 – Advisory Business*:
 - 2702 Erie Avenue, Third Floor
Cincinnati, OH 45208

- 3447 Pelham Road, Suite 203
Greenville, SC 29615
- This change impacts *Item 4 – Advisory Business*.

As of February 8, 2021

- The U.S. Securities and Exchange Commission grants Investment Adviser Registration to Premium 72 Capital, LLC pursuant to Section 203 of the Investment Advisers Act of 1940. The Commission found that the application contains the information prescribed under Section 203(c) and the rules thereunder. The Commission has not passed on the accuracy or adequacy of the information, and the effectiveness of Premium 72 Capital's registration does not imply Commission approval or disapproval.

While the material changes to this brochure have been highlighted above, clients can request a copy of this brochure at any time without charge by sending a written request to our CCO at 2700 Post Oak Blvd., Floor 21, Houston, Texas 77056 or by email to compliance@premium72.com.

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Item 4 – Advisory Business

Advisory Firm Description

Premium 72 Capital, LLC, formerly known as OPC Advisors, LLC (referred to in this Brochure as “Premium 72 Capital”, the “Firm”, “we”, and “us”), is a Texas limited liability company that has been in business since 2016 with an office in Houston, Texas. The Firm is expanding to serve clients in additional geographic areas by registering IARs with offices in Ohio and South Carolina. The Firm is majority-owned by Arturo Nicolayevsky through a holding company called AynBet Investments, LLC; Eduardo Perez Alduncin is the only other owner of greater than 5% of Premium 72 Capital.

Types of Advisory Services

Premium 72 Capital provides both discretionary and non-discretionary investment advice, asset allocation, investment management, financial planning, and related services to individuals, families, trusts, estates, and small and large businesses. (Throughout this Brochure, the various types of individuals and entities who we serve are referred to generally as “clients” or “you.”) Advice is provided by the IAR after consulting with you to determine which of the following services are appropriate: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning. IARs are qualified to offer advice on most types of investments owned by a client and at your specific request, will explore investment options that you do not currently own.

Services Offered

Premium 72 Capital offers the following advisory services:

- Portfolio management services for individuals and/or small businesses
- Portfolio management for businesses or institutional clients (other than investment companies)
- Financial planning services
- Selection of other advisers, including private fund managers
- Educational seminars and workshops

Overview of Services Offered

We offer ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. The goals and objectives for each client are documented in the client account agreement. “Investment Supervisory Services” are provided and generally will include:

investment strategy
asset allocation
risk tolerance

personal investment policy
asset selection
regular portfolio monitoring

IARs also frequently furnish advice to clients on matters not involving securities: financial planning, taxation issues, and trust services that often include estate planning.

Tailored Advisory Services

Premium 72 Capital offers both discretionary and non-discretionary investment advice, asset allocation, and related services to retail separate account clients and institutional investors. The initial meeting (either in person or by telephone or video conference) is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management are beneficial to you. Premium 72 Capital does not take custody or hold client assets or funds. See *Item 15 – Custody*. Clients deposit cash or other marketable securities in the account to be managed and Premium 72 Capital and its IAR will perform an analysis of securities to be kept or sold. Client assets are then invested, usually on a discretionary basis, in domestic and international stocks, bonds, mutual funds, exchange-traded funds ("ETFs"), and with additional approval, covered or hedged option positions, or other public or private securities or investments.

Our services are provided based on the individual needs of each client and involve providing clients with continuous and on-going management of client accounts. This means that Premium 72 Capital will continuously monitor a client's account, and make trades in client accounts when necessary, following the client's investment objectives.

We accommodate your desire to impose restrictions on investing in certain securities or types of securities based on your values or beliefs. We require written notice of the restriction(s) to ensure that these instructions can be accommodated; please note that restrictions on investments in certain securities or types of securities are not accepted due to the level of difficulty that would be entailed in managing the account.

IARs will communicate with you periodically to review your portfolio and to establish or remind you of specific, agreed-upon courses of action. More frequent reviews often are done but are generally not communicated to you unless immediate changes are recommended. See *Item 13 – Review of Accounts*. Lawyers, accountants, insurance agents, and other professionals are engaged directly by the client on an as-needed basis. The client authorizes Premium 72 Capital to share information with lawyers, accountants, insurance agents, and other professionals. Conflicts of interest will be disclosed to you whenever they occur.

Tailored Advisory Services are included in the fees in the Investment Management Agreement but are separate from and in addition to the Financial Planning services described later in this section. See also *Item 5 – Fees and Compensation* for a description of the costs involved in employing Premium 72 Capital's Investment Management Agreement.

Manager Selection Program

Premium 72 Capital provides clients with the opportunity to have their accounts or portfolios managed by unaffiliated investment advisers (“outside” or “third-party” money managers). This is accomplished either through a TD Ameritrade Institutional or Charles Schwab Institutional program or by a solicitation agreement between Premium 72 Capital and the outside manager. See *Item 5 – Fees and Compensation* for a description of the additional costs involved in employing the Manager Selection Program.

The Premium 72 Capital IAR will discuss and review the asset allocation and investment strategy of the third-party adviser with the client. However, the Premium 72 Capital IAR will not be involved in the selection of individual securities purchased nor in the execution of transactions through the third-party adviser.

Financial Planning Services

Premium 72 Capital provides advisory services in the form of financial planning and consulting services. Financial planning services do not involve the active management of client accounts but instead, focus on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas.

Elements of the financial plan to be included are decided between the client and the IAR. Representative items include a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

See below for details of specific types of financial planning and the approximate number of hours required for each, based on the typical needs of an individual investor. Only certain IARs are qualified to offer these services, so please ask your IAR which specific services, if any, he or she offers. Please see *Item 5 – Fees and Compensation* for a description of the costs involved in employing Premium 72 Capital’s Financial Planning Services. High net worth investors or families will take more time and will cost more.

- **personal finance** (approximately one hour): The IAR will analyze the current financial position of the client by looking at current income, current expenses, and current debt, to determine a budget, taking into consideration the short- and long-term needs of the client.
- **insurance and risk management** (approximately one hour): The IAR will look at the

client's current life and long-term care insurance to ensure it is suitable for the particular needs of the client and the client's family.

- **investment planning** (approximately one hour): The IAR will recommend a certain portfolio of investments of various types based on the investment objectives and risk tolerance of the client to meet the current and future needs of the client within a given time horizon.
- **income tax planning** (approximately one hour): The IAR will analyze the client's financial situation from a tax perspective to align financial goals with tax efficiency planning. The purpose is to minimize the tax liability of the client while maintaining all other elements of the overall financial plan.
- **retirement planning** (approximately one hour): The IAR will estimate future cash flows to determine whether the retirement income goal will be achieved. Retirement planning is generally defined as the process of determining retirement income goals and the actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program, and managing assets.
- **estate planning** (approximately two hours): The IAR will provide a general overview of the "checklist" of preparation tasks that serve as the foundation for the management of an individual's assets in the event of their incapacitation or death, including the bequest of assets to heirs and the settlement of estate taxes. **Most estate plans are established with the help of an attorney experienced in estate law, which is outside the scope of the services provided by Premium 72 Capital.**

Some of the major estate planning tasks include:

- creating a will
- limiting estate taxes by setting up trust accounts in the names of beneficiaries
- establishing a guardian for living dependents
- naming an executor of the estate to oversee the terms of the will
- creating and/or updating beneficiaries on plans such as life insurance, IRAs, and 401(k)s
- setting up funeral arrangements
- establishing annual gifting to reduce the taxable estate
- creating a durable power of attorney (POA) to direct other assets and investments

Detailed investment advice and specific recommendations are provided as part of a financial plan, but the **implementation of the recommendations and the additional cost of doing so**

are at the discretion of and borne by the client.

Wrap Programs

A wrap fee program is an investment program in which the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Premium 72 Capital **does not** manage or participate in any wrap fee programs.

Assets Under Management

As of December 31, 2020, Premium 72 Capital had \$226,256,088 in assets under management, \$79,868,399 on a discretionary basis, and \$146,387,689 on non-discretionary basis.

Item 5 – Fees and Compensation

Premium 72 Capital is compensated in one of three ways, depending on the investment services provided to clients:

- percentage of assets under management, charged and paid in advance
- hourly charges
- fixed fees (other than subscription fees)

All fees under Premium 72 Capital's control are negotiable, depending on factors such as the historical relationship with the client, type of assets, anticipated future earning capacity or other circumstances of the client, anticipated future assets, the scope of services provided, size of account(s), service levels, your negotiations, or reporting and other arrangements as agreed with specific clients. **You, therefore, are likely to pay more or less than the fees shown in our standard fee schedules, and more or less than similarly situated clients.** See “*Fee Dispersion*” later in this section.

Asset Management Service Fees

Premium 72 Capital will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for asset management services is outlined in the following tiered fee schedule. **As noted above, our fees are negotiable. In all cases, the final mutually agreed upon asset advisory fees will be included as part of Premium 72 Capital's written investment advisory agreement signed by the client and the Firm:**

Premium 72 Capital Fee Schedule

Market Value of Assets	Maximum Annual Advisory Fee
Up to \$500,000	2.99%
\$500,001 to \$1,000,000	2.50%
\$1,000,001 to \$1,500,000	2.00%
\$1,500,001 to \$2,500,000	1.50%
Greater than \$2,500,000	Negotiated

Again, since our fees are negotiable, the exact fee schedule applied to your account(s) generally will be different from the fee schedule reflected above.

Clients who enter into a Manager Selection Program agreement to use a suitable third-party adviser referred by Premium 72 Capital will pay two fees:

- Premium 72 Capital will charge a negotiated fee based on a percentage of assets under management
- the third-party manager will charge an advisory fee ranging from 0.25% to 1.00% that varies depending on the investment adviser and the type of service provided. The advisory fee charged to the client by the third-party investment manager is disclosed in the third-party investment manager's advisory service agreement and/or Brochure (Form ADV Part 2A) or other disclosure documents.

Hourly Planning Fees Including Financial Planning Services

The maximum fee for financial planning services is \$400.00 per hour unless limited by regulation and is negotiable.

The fee for financial planning services is predicated upon the facts known at the start of the engagement. Since financial planning is a discovery process, situations arise in which the client is unaware of certain financial exposures or predicaments. If the client's situation is substantially different than disclosed at the initial meeting, a revised hourly fee will be provided for our mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Future face-to-face meetings are scheduled as necessary. Follow-on implementation work is billed separately at the rate of up to \$400.00 per hour.

To the extent that a recommendation is made to implement the plan through other products or services offered by Premium 72 Capital, a conflict of interest will exist between the interests of the Firm and the interest of the client. Recommending clients invest in products or services we offer creates a conflict of interest due to Premium 72 Capital's receipt of the investment management fee or other relevant compensation. This conflict is mitigated through a continual disciplined approach to assessing the client's investment objectives and risk tolerance and encouraging each client to review Premium 72 Capital's documents before investing and to ask us any questions about the terms, conditions, or conflicts related to the Premium 72 Capital product or service.

The client is under no obligation to act upon the IAR's recommendations; further, if the client does elect to act on any recommendation, the client is under no obligation to effect the transactions through the IAR or Premium 72 Capital. Please see further discussion of conflicts and their

mitigation in *Item 10 – Other Financial Industry Activities and Affiliations*.

Fixed Fees

Premium 72 Capital permits its IARs to charge fixed fees for planning services when it is more appropriate to work on a fixed fee basis. The fixed fee amount is negotiated and agreed upon before services being provided. For retail customers who will use the information primarily for personal, family, and household planning, the minimum fixed fee amount is \$200.00, and the Firm will charge the fee to the client.

Fee Billing

Per account billing

Advisory accounts held with a custodian of Premium 72 Capital generally will be billed on a per-account basis. This means that each account will be billed the agreed-upon fee for that account, which allows for ease of administration for us, and for the performance for each account to be easily calculated.

Householding

In cases where combining accounts could allow a client to enjoy the benefits of lower overall fees, clients usually elect to combine the value of all accounts maintained by you and your family members (a process commonly referred to as householding). Householding allows for the combined value of accounts to take advantage of a lower annual fee rate and/or to have fees deducted from one account.

For example, if you had four accounts that had a combined total of just over \$1 million, each account will be charged based on the greater-than-\$1 million threshold noted in the fee schedule above. In combining accounts for purposes of determining the amount of the advisory fee that will be charged, we will normally include your accounts, the accounts of your spouse, the accounts for the benefit of your minor children, and the accounts of any relatives supported by you; however, we will add to the “household” the accounts of other relatives that you identify.

Continuing the illustration of householding, in addition to a combined fee rate, some clients will direct us to pay all household advisory fees from one account – for example, some grandparents choose to pay the advisory fee incurred by their grandchildren’s accounts.

Direct Debit

Clients generally authorize us to directly debit fees from their accounts. Fees are billed monthly or quarterly in advance, meaning that we invoice you at the beginning of the month for that month or at the beginning of the quarter for that quarter. Payment in full is expected upon invoice presentation. **Fees are usually deducted from the client’s account to facilitate billing. The client must consent in advance to direct debiting of their investment account.**

Please also note that the custodian holding your account will send you an account statement,

no less than quarterly, that provides details of all activity in your account, including the advisory fees that were deducted. **Please review each custodial statement for accuracy.** Premium 72 Capital will have access to copies of your account statements from the custodian.

Monthly billing

The valuation of the account will be based on the value of your account or household accounts on the **last trading date of the prior month.**

When you establish an investment advisory relationship with Premium 72 Capital, your first month's advisory fee will be pro-rated based on the number of days your account was under our management. Similarly, when you terminate your advisory relationship with us, your last month's advisory fee will be prorated based on the number of days your account was under our management. Upon the opening of a client account, we will not begin the average daily balance calculation until the account or a specific portion of the account ("sleeve") is funded.

If fees are in excess or fall short of the monthly fee that is billed in advance, the fees will be reconciled the following month with either an additional debit or a credit to your account. If insufficient cash is available in your account to pay the fee charged to your account, we will sell investments from your account in an amount sufficient to pay the fee.

Quarterly billing

Below is an example to illustrate the billing of an account every quarter:

An account or group of household accounts valued at \$1,000,000 on December 31st with an agreed-upon fee rate of 2% annually, would be billed \$5000.00 ($\$1,000,000 \times 2\% = \$20,000 / 4 = \5000) for the upcoming quarter. The account will be billed on or around January 1 for the first quarter from January 1 through March 31.

Hourly or Fixed-Fee Billing

Hourly fees are billed monthly and are due from the client upon receipt of the bill. An estimate of the time involved in the project or projects requested by the client will be provided on request; however, no estimate is binding, and the client's billings will reflect actual time spent. If it is agreed that a fixed fee amount makes more sense for the client, the fixed fee amounts will also be billed monthly and are due from the client upon receipt of the bill.

Valuation

Premium 72 Capital generally will accept the valuation of the client's account as reported by the account custodian. The valuation of securities and other instruments are generally determined by their last reported sale price on the principal market in which they are traded if traded on a market for which transaction prices are publicly reported. Otherwise, other readily marketable securities and instruments are valued by using a pricing service or by other equitable means consistent with the fiduciary duty of the Firm to determine a fair market value.

Transaction Costs

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Examples of these additional expenses include charges imposed by custodians, brokers, third-party investment advisers, and other third parties, including management fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees that are disclosed in a fund's prospectus. These expenses are not deducted from the Premium 72 Capital management fees charged.

Please also see *Items 12 – Brokerage Practices* and *14 – Client Referrals and Other Compensation* for a description of additional compensation received by Premium 72 Capital and for a description of factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Termination

An advisory client has the right to terminate the contract without penalty within five (5) business days after entering into the contract.

Thereafter, the relationship between parties will be terminated by either the client or Premium 72 Capital following the requirements outlined in the agreement. Upon receipt of any request to terminate, fees will be refunded on a pro-rata basis (i.e., if a client terminates the relationship in the middle of a quarter or month, he will only pay for the number of days he was under contract; the balance will be refunded). For example, if a client paid advisory fees of \$500.00 at the beginning of the quarter and transferred their account out midway through the quarter, we would refund the client half of the advisory fees paid during the period.

If a client requests a refund relating to a fixed fee, the amount of the refund will be determined based on a percentage of the work completed by the IAR and is mutually agreed upon by the client and the IAR. If a client is due money, a check will be issued to the client by Premium 72 Capital.

Accounts managed by a third-party money manager have fees deducted following the agreement signed between the client and the third-party manager.

Fee Dispersion

Premium 72 Capital, in its sole discretion, waives or modifies its minimum asset level, charges a lesser management fee, charges a flat fee, or waives its fee entirely based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, the dollar amount of assets to be managed, related accounts, account composition, the complexity of the engagement, grandfathered fee schedules, Firm employees and family members, courtesy accounts, competition, negotiations with client, etc.). **As a result of these considerations, similarly situated clients pay different fees. Similar advisory services also could be available from other investment advisers for similar or lower fees.**

Any questions: Premium 72 Capital's CCO remains available to address any questions that a client or prospective client has regarding advisory fees.

Special Fee Arrangements

Premium 72 Capital reserves the right, in its sole discretion, to negotiate and to charge different fees for certain accounts based on the client's needs or requirements as well as overall financial condition, goals, risk tolerance, and other factors unique to the client or for new or additional services not described herein. As an example, fees for certain non-U.S. Clients are higher due to increased administrative costs and requirements. The maximum fee charged by Premium 72 Capital is 2.99%.

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

Performance-based fees are based on a share of capital gains on or appreciation of the assets of the client. Premium 72 Capital does not charge any performance-based fees and/or engage in side-by-side management.

Item 7 – Types of Clients

We offer portfolio management investment advice to the following types of clients:

- individuals (including their trusts, estates, family investing vehicles, and retirement accounts)
- high net worth individuals (including their trusts, estates, family investing vehicles, and retirement accounts)
- pension and profit-sharing plans (other than participants)
- small businesses
- charitable organizations
- private foundations

Account Minimum Requirements

We do not impose a minimum portfolio size or minimum annual fee. Subject to applicable law, actual advisory fees and the required minimum dollar value of assets are negotiated. Please also see *Item 5 – Fees and Compensation*.

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

In managing clients' accounts and providing recommendations to non-discretionary clients, Premium 72 Capital uses various investment strategies and methods of analysis, as described below. This section also contains a discussion of the primary risks associated with these investment strategies. However, it is not possible to identify all the risks associated with investing. The risks applicable to an account will depend on the nature of the account, its investment strategy or strategies, and the types of securities held by the account. Similarly, the risks applicable to, and associated with, your accounts, depend on your asset allocation, including the nature of the accounts,

the investment strategies, and types of securities held by the accounts.

While Premium 72 Capital seeks to manage your accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. **Any investment includes the risk of loss and there can be no guarantee that a level of return will be achieved.** Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses, including through diversification.

Clients should be aware that while Premium 72 Capital does not limit its advice to particular types of investments, mandates are sometimes limited to certain types of securities (e.g., equity securities) and thus are not diversified. We expect that the assets we manage do not represent all of a client's assets. You are responsible for appropriately diversifying your assets to guard against the risk of loss in any one asset type.

Analysis Methods

Premium 72 Capital's IARs use various methods of analysis and investment strategies. Methods and strategies will vary based on the IAR providing advice. Models and strategies used by one IAR will be different than the strategies used by other IARs. Some IARs use just one method or strategy while other IARs rely on multiple. Premium 72 Capital does not require or mandate a particular investment strategy be implemented by its IARs. Further, Premium 72 Capital has no requirements for using a particular analysis method and IARs are provided flexibility (subject to Premium 72 Capital supervision and compliance requirements) when developing their investment strategies. Security analysis methods utilized by Premium 72 Capital include the following:

Charting

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting can be applied to long-term investing or can be used as a market-timing strategy, depending on the timeframe of the price charts.

Fundamental

Fundamental analysis maintains that markets misprice securities in the short run, but that the correct price will eventually be reached by the market. The fundamental analysis of a business involves analyzing financial statements, management, and competitive advantages, and competitors and markets. When applied to futures and forex, fundamental analysis focuses on the overall state of the economy, interest rates, production, earnings, and management.

Technical

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based

on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market, and intra-market price correlations, business cycles, stock market cycles, or, classically, through recognition of chart patterns.

Volatility

Volatility analysis involves the analysis of price fluctuations due to increasing or decreasing market/underlying volatility.

Cyclical

Cyclical analysis generally targets cyclical stocks for purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low and sell them when the P/E Ratio is high (i.e., when earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

Sources of Information

The main sources of information used in Premium 72 Capital's analysis:

- Financial newspapers and magazines
- Inspections of corporate activities
- Research materials prepared by others
- Corporate rating services
- Timing services
- Annual reports, prospectuses, filings with the SEC
- Company press releases

Investment Strategies

Premium 72 Capital investment strategies used to implement investment advice:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Option writing, including covered options, uncovered options, or spreading strategies
- Futures trading, primarily of commodity futures contracts primarily as a hedge against its existing open portfolio positions or secondarily as opportunistic trades in interest rates, indices, currencies, and other commodity futures contracts directionally and/or in pair trades
- Volatility trading against extreme movements
- Utilization of alternative investments (partnerships, hedge funds, commodity pools, etc.)

Premium 72 Capital's IARs use various investment strategies depending on the objectives stated

by the client during consultations and will vary based on the IAR providing advice. Models and strategies used by one IAR will be different than the strategies used by other IARs. Some IARs use just one investment strategy while other IARs rely on multiple. Premium 72 Capital does not require or mandate a particular investment strategy be implemented by its IARs.

An example of one of the investment strategies used for client accounts is asset allocation, utilizing a strategic core and tactical overlay in which we use passively managed index and exchange-traded funds as the core investments, and add actively-managed funds whose managers seek to outperform their respective benchmarks. When consistent with client objectives, portfolios are globally diversified to control the risk associated with traditional markets.

The client is free to change these objectives at any time. Each client executes a client account agreement that documents the client's risk tolerance, time horizon, and desired investment objective.

Investment Strategy Risks

The following is an overview of the material risks associated with Premium 72 Capital's management and the instruments in which clients invest; however, it is not intended to be a complete discussion of every possible risk to which a client could be subject. Investing in securities involves the risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach seeks to keep the risk of loss in mind.

Cash and Cash Equivalents:

When we consider it in the best interest of the client, accounts will maintain significant cash positions from time to time, foregoing investment opportunities. The client will pay the Investment Management Fee based on the net asset value of the account, including cash and cash equivalents.

Interest Rate and Credit Risk

The two main risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, a corresponding decline in the market value of bonds follows. Credit risk refers to the possibility that the issuer of the bond will not be able to make principal and interest payments. The principal on mortgage-backed or asset-backed securities normally can be prepaid at any time, which will reduce the yield and market value of these securities. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government.

Municipal Security Risk

Municipal securities are subject to interest rate, credit, default, and valuation risks. There generally is less information available on the financial condition of issuers of municipal securities than for public corporations. The market for municipal bonds can be less liquid than for taxable bonds. A

portion of the income of some municipal bonds is taxable. Some investors could be subject to the alternative minimum tax. Capital gains distributions, if any, are taxable.

Equity Securities Risk

Equity securities are subject to changes in value. Their values generally are more volatile than other asset classes. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Inverse ETF Risk

Certain index ETFs seek investment results that are the inverse of a particular index, and for a single day only, not for longer periods. For periods longer than a single day, the ETF will lose money when the level of the index is flat, and the ETF could lose money even if the level of the index falls. Longer holding periods, higher index volatility, and inverse exposure each exacerbate the impact of compounding on an investor's returns. We seek to mitigate this risk through daily monitoring when inverse ETFs are used.

Derivatives Risk

Investments in derivatives, such as futures, options, swaps, or tender-option bonds, to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage, and credit that could reduce returns and/or increase volatility. Leverage involves the use of various financial instruments or borrowed capital in an attempt to increase the return of an investment. **The use of leverage involves risk, including a loss greater than the amount originally invested.**

Emerging Markets Risk

Investments in emerging market issuers generally are subject to a greater risk of loss than investments in issuers located or operating in more developed markets. Emerging markets are more likely to experience inflation, political turmoil, and rapid changes in economic conditions than more developed markets. Emerging markets often have less uniformity in accounting and reporting requirements, less reliable securities valuations, and greater risk associated with custody of securities than developed markets.

Long term Trading (securities held at least a year)

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk. The portfolio can be invested in liquid and illiquid securities. You should be aware that liquid securities could become less liquid during the holding period.

Short-term trading (securities held less than a year)

Short-term trading exacerbates market risks because profitability will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that we will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program will decline if other market participants develop similar programs or techniques. Frequent trading can affect investment performance through increased brokerage and other transaction costs and taxes.

Use of Alternative Investments

Alternative investments, whether publicly or privately traded, are generally subject to the risks identified above. Furthermore, investors in a private fund should understand that these funds are speculative investments. The interests in private funds are illiquid or of limited liquidity and ownership of a private fund requires the ability to tolerate a high degree of risk. Each private fund will be subject to additional risks, that are described in the fund's PPM, which investors should review carefully.

Cyber-Security Threats

Premium 72 Capital faces various cyber and security threats, including malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential or otherwise protected information and corruption of data, network, or systems.

Uncertainty Risk

Social, political, economic, and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts, and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments, and other systems, including the financial markets, to which clients and the issuers in which they invest are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only a local impact are now more likely to have regional or even global effects. Events that occur in one country, region, or financial market will, more frequently, adversely impact issuers in other countries, regions, or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Once an event occurs, it is impossible to determine or accurately predict its precise nature and consequences, or those of any political or policy decisions and regulatory changes occasioned by it. Clients will be negatively impacted if the value of their investments decreases because of such events and the uncertainty they cause or if the operations and effectiveness of Premium 72 Capital, the issuers in which clients invest, or their key service providers are compromised. This uncertainty can exacerbate other risks associated with investments, and the risk discussions in this

brochure, the brochures of any third-party investment manager, and the offering documents of any pooled investment vehicle.

Covid-19

A specific form of uncertainty risk has emerged in the form of a respiratory disease designated COVID-19 that was first detected in China in late 2019 and has spread internationally. The transmission of COVID-19 and efforts to contain its spread have resulted in border closings and other travel restrictions and disruptions; limitations on or closures of business operations, disruptions to supply chains, and reductions in customer activity in multiple markets and sectors; cancellations and restrictions of events and services; quarantines; and general concern and uncertainty, among other things. These impacts have caused significant volatility, trading halts, and declines in the global financial markets, which have resulted in losses for investors. The extent of the impact of COVID-19 cannot be precisely foreseen at present.

Premium 72 Capital remains fully operational and has deployed a business continuity plan to ensure there are no interruptions in the service provided to clients. We continue to liaise with our third-party vendors to ensure they have undertaken the necessary steps to continue uninterrupted service. At this time, we are confident that our activities will not be adversely impacted, and we will continue to update our business continuity plan as needed to account for the challenges presented by COVID-19 and the needs of our clients.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Premium 72 Capital or the integrity of Premium 72 Capital's management. Premium 72 Capital and its management have no material legal or disciplinary events.

Investment Advisory Representatives are considered “advisory affiliates” whose disciplinary events are contained in Part 1 of Premium 72 Capital's Form ADV as well as in their individual records. For information regarding Premium 72 Capital's and its Investment Advisory Representatives' legal and disciplinary history, please access the Investment Adviser Public Disclosure site (IAPD) at www.adviserinfo.sec.gov.

Item 10 – Other Financial Industry Activities and Affiliations

Premium 72 Capital is an independent registered investment adviser providing only investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Brochure. However, while we do not sell products or services other than investment advice, our IARs usually sell other products or provide services outside of their role as Premium 72 Capital IARs. Premium 72 Capital has the following related entities:

R.M. Stark, & Co., Inc. (“RM Stark”) is a broker-dealer and a wholly owned subsidiary of RMST Holding Company, Inc. (the “Parent”.) The Parent is a wholly owned subsidiary of Premium 72 Capital. RM Stark was incorporated in the State of Florida on September 29, 1988. As required of a broker-dealer, RM Stark is registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA). FINRA approved RM Stark’s Continuing Membership Association with the change of ownership as of September 2, 2020. RM Stark’s principal business is the sale of general securities products to retail clients.

Like all financial service providers, Premium 72 Capital and our IARs have conflicts of interest because we are compensated directly by clients. IARs have an incentive to encourage you to increase the assets in your account because we will receive more revenues from asset-based fees. Certain IARs of Premium 72 Capital have additional conflicts of interest because they are also registered representatives of RM Stark or another unaffiliated broker-dealer. Some clients choose to work with our IARs in this separate capacity.

When acting as a Registered Representative (“RR”) of the broker-dealer, the RR sells general securities products or a limited selection of products. If your IAR suggests that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in place of a fee-based investment advisory account, the objectivity of the advice rendered to you could be biased.

RRs receive a commission when selling securities products, and if the RR is registered with RM Stark, Premium 72 Capital also earns revenue from your brokerage business. Receiving commissions creates an incentive to recommend those products for which your RR receives a commission rather than solely based on your needs. We also are paid more, the more transactions you make and/or the larger the transactions. Certain products also generate ongoing indirect compensation to the RRs and the brokerage firm, providing an incentive to recommend products that have higher “trail” payments (for example, a mutual fund with a 12b-1 fee).

Clients are under no obligation to use the services of our IARs in their separate capacity as broker-dealer RRs. You can select any broker-dealer to implement securities transactions. However, if you do select a Premium 72 Capital IAR (acting in his or her separate capacity as a broker-dealer RR) to implement securities transactions, you must use the brokerage firm with which the RR is registered. Before effecting any such transactions, you are required to enter into a new account agreement with the broker-dealer. Fees and commissions charged by broker-dealers are not uniform, so your fees and commissions will be higher or lower than similar clients using other broker-dealers.

These conflicts are mitigated by the RR being required by SEC regulation to disclose and explain costs and to act in the best interest of a retail client when making a brokerage recommendation. Please also see the next section, *Item 11: Code of Ethics, Participation or Interest in Client*

Transactions and Personal Trading for ways in which Premium 72 Capital promotes honest and ethical conduct and identifies and resolves potential conflicts of interest in our advisory dealings with all clients.

When you are discussing services with a Premium 72 Capital representative, he or she should explain in what capacity he or she will be acting – as an IAR and/or an RR of a broker-dealer – and the differences in services provided and the costs. Be sure to ask if you are unclear. For additional information on which type of investment account is right for you and suggested conversation starters, please see the Form CRS (Client Relationship Summary) for Premium 72 Capital or any registered investment adviser or brokerage firm, available at Investor.gov/CRS.

Premium 72 Capital is a **commodity trading advisor** registered with the CFTC since June 21, 2016; we became a National Futures Association (“NFA”) member in such capacity as of the same date. Arturo Nicolayevsky is the managing member, a CFTC-listed Principal (as of August 9, 2016), and CFTC-registered Associated Person (as of August 9, 2016) of Premium 72 Capital. He became an NFA Associate Member in such capacities on the same date.

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

Premium 72 Capital subscribes to a Code of Ethics (“Code”) adopted as required by Rule 204A-1 under the Advisers Act. The Code describes the fiduciary duty we owe our clients and the general standard of conduct that the Firm expects of all personnel, focusing on specific areas where the conduct of personnel has the potential to adversely affect the client, including misuse of nonpublic information and personal securities trading.

Premium 72 Capital’s officers and personnel have interests in securities owned by or recommended to our clients. As these situations represent a conflict of interest, we have implemented procedures relating to personal securities transactions and insider trading that are reasonably designed to identify conflicts of interest and prevent or mitigate actual conflicts of interest. These policies and procedures, including the Firm’s Code, are intended to avoid conflicts of interest with clients and resolve such conflicts appropriately if they do occur. Any supervised person of Premium 72 Capital who fails to observe our Code and related policies risks serious sanctions, including dismissal and personal liability. Upon request, a copy of the Code is available to any client or prospective client.

Material Nonpublic Information

Premium 72 Capital and its related persons, from time to time, come into possession of material nonpublic and/or other confidential information which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Firm can be prohibited from improperly disclosing or using such information for our benefit or the benefit of any other person,

regardless of whether such other person is a client. Accordingly, should Premium 72 Capital come into possession of material nonpublic or other confidential information concerning any company, we are prohibited from communicating such information to, or using such information for the benefit of, our clients, even if such action could have benefited the client. We have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, our clients or personnel when following policies and procedures designed to comply with the law.

Premium 72 Capital has adopted a “Policy Statement on Insider Trading” per Advisers Act Section 204A which establishes procedures to prevent the misuse of material nonpublic information by our supervised persons. Among other things, all personnel must read, sign, and adhere to our policy on insider trading which reflects current securities law, including, but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988.

Item 12 – Brokerage Practices

Factors Used to Select Broker-Dealers

Premium 72 Capital has institutional agreements with TD Ameritrade, Charles Schwab, and Interactive Brokers (collectively “Custodians”) to act as a qualified custodian for our clients’ assets. By choosing Premium 72 Capital as an investment adviser, your assets generally must be held at one of our Custodians. For clients with very large accounts who require a different arrangement, we negotiate with you if you require your assets to be held at a different qualified custodian.

Each of these Custodians is a broker-dealer registered with FINRA and the SEC and is a member of the Securities Investor Protection Corporation (SIPC). Most of our clients’ accounts have a value too small for the Custodians to permit brokerage trades to be done with other brokerage firms. Therefore, all the assets in your advisory account usually will be traded with the brokerage firm that also serves as your Custodian.

Personal Securities Trading

Premium 72 Capital and our related persons frequently own an interest in or buy or sell for their personal or family-related accounts the same securities that are purchased or sold in the accounts of advisory clients. Client orders are given priority in the case of all reportable securities. Subject to de minimis exceptions, as determined by the Chief Compliance Officer (“CCO”), an associated person will not receive a better price than a client. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients. Each access person is required to notify the CCO or designee to pre-clear limited (private) offerings; initial public offerings (“IPOs”) are not permitted.

Certain affiliated accounts can trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated

and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed before the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be prorated. Any exceptions will be explained on the trade order.

Employees are required to submit quarterly reports of their transactions within 30 days of the end of each calendar quarter to the CCO or designee. These reports could consist of monthly brokerage statements for all accounts in which they have a beneficial interest. Alternately, access persons can direct their brokers to send copies of all brokerage confirmations relating to all personal securities transactions in which they have a beneficial ownership interest for reporting purposes. Employees also must report all securities holdings to the CCO or designee annually if statements are not provided. These are reviewed by the CCO or designee to ensure compliance with the Firm's policies.

Brokerage for Client Referrals

Premium 72 Capital is independently owned and operated and not affiliated with any of the Custodians. We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

Best Execution

As a fiduciary, Premium 72 Capital must seek best execution for client transactions, which includes consideration of a client's total costs or proceeds and the quality of broker-dealer services. Other investment advisers that trade with many different brokers and dealers can obtain better net prices than Premium 72 Capital because we trade almost exclusively with the broker-dealer that is the client's Custodian. We mitigate this disadvantage by considering the overall financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, access to brokerage products, including mutual funds and ETFs, and related factors in selecting the Custodians we recommend to advisory clients.

Best execution, in the context of choosing mutual funds for our clients, also requires that we manage investment expenses. We balance the benefits of investing in mutual funds that are considered "no-load, no transaction fee" at the Custodian with funds that have a transaction fee or commission, but which carry a lower annual operating expense ratio.

Directed Brokerage

In rare instances, Premium 72 Capital will permit a client to direct which broker-dealer or custodian to use. **Please be aware that we cannot negotiate to meet our best execution obligations if clients choose to direct brokerage. This will usually cost clients to pay more.** If the client directs the use of a particular broker-dealer, Premium 72 Capital generally asks the client to specify, in writing (1) general types of securities for which the designated firm should be

used; and, (2) whether the designated firm should be used for all transactions.

Transactions for a client who directs brokerage generally will not be combined or “bunched” for execution purposes with orders for the same securities for other accounts we manage. (See the section *Trade Aggregation (Bunching)* immediately below.) In these instances, trades for a client who has directed us to use a specific broker or dealer to execute its trades generally will have its trades placed at the end of bunched trading activity for a security. Accordingly, directed transactions could be subject to price movements, particularly in volatile markets, that result in the client receiving a price that is less favorable than the price obtained for the bunched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions could result in higher commissions, greater spreads, or less favorable net prices than might be the case if Premium 72 Capital could negotiate.

Trade Aggregation (Bunching)

In some instances, orders for more than one client’s account will be aggregated (“bunched”). The resultant trade execution(s) will be average-priced and allocated according to the original orders, providing fair and equitable treatment to all participating accounts, and sometimes resulting in better execution. If for any reason the entire bunched trade cannot be completed on trade date, client accounts will receive a pro-rata portion of the securities traded. Premium 72 Capital will keep records of all bunched trades executed and the allocations for each client account that participates in the bunched trade.

Research and other Soft Dollar Benefits

Research services provided by a broker-dealer can be either proprietary (i.e., created and provided by the broker-dealer, including tangible research as well as access to analysts and traders) or “third party” (i.e., created by a third party but provided by the broker-dealer). The brokerage commissions used to acquire research in these arrangements are known as “soft dollars.” The U.S. Congress created a “safe harbor” under Section 28(e) of the Securities and Exchange Act of 1934 that establishes strict standards by which soft dollar arrangements are allowed. Under this safe harbor, an adviser can consider the provision of research, as well as execution services, in evaluating the cost of brokerage services without violating its fiduciary responsibilities. Premium 72 Capital follows the safe harbor available under Section 28(e) in arranging and executing its soft dollar arrangements.

Our Custodians provide us with products and services that benefit us but do not directly benefit our clients’ accounts. Some of these products and services assist us in managing and administering clients’ accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information, and other market data; facilitate payment of our fees from its clients’ accounts; and

assist with operational functions, recordkeeping, and client reporting.

As fiduciary, we are required to and endeavor to act in our clients' best interests. While we recommend that clients maintain their assets in accounts at the Custodians, that recommendation is based in part on the benefit to us of the availability of some of the foregoing products and services, and not solely on the nature, cost, or quality of custody and brokerage services provided by Custodians, which creates a potential conflict of interest. We mitigate that conflict of interest through disclosures made in this Brochure, client agreements, and reports and conversations with clients.

Allocation of Initial Equity Public Offerings ("IPOs")

Premium 72 Capital does not invest client accounts in IPOs.

Principal and Cross Trades

Premium 72 Capital does not engage in principal or cross trades.

Trade Error Corrections

Premium 72 Capital's IARs seek to execute transactions under our duty of care. However, errors do occasionally occur. When a trade error is discovered, the error is reported to the Chief Compliance Officer or designee and documented. We transfer the erroneous position to the custodian's "error account" when possible at the price paid or received by the client, and we seek to unwind the position as quickly as is practicable. The trade error policy of the custodian generally will dictate the trade error correction mechanics. Premium 72 Capital bears the economic risk of losses in positions in the error account. Additionally, the firm or the broker or custodian absorbs all brokerage or other transaction costs related to correcting errors.

Item 13 – Review of Accounts

Periodic Reviews

Client Accounts

Premium 72 Capital has a fiduciary duty to provide services consistent with the client's best interest. Account transactions are reviewed daily by the CCO and the designated branch supervisor. The CCO also includes the review of accounts as part of the ongoing compliance testing and will on occasion contact clients directly to discuss transactions or money movements. Client account reviews are conducted at least quarterly by the IARs. Such reviews will include an examination of the account's investment objective, performance, and other matters. The IAR assigned to a client will also discuss the client's overall strategy and goals no less than annually, or at client request. Clients are encouraged to contact Premium 72 Capital if there are any changes in their financial situation or investment objectives.

Financial Plan Reviews

Financial planning services do not involve the active management of client accounts but instead,

focus on a client's overall financial situation. Because the financial planning service terminates on the agreed completion of the plan or consultation, there is no ongoing or periodic review. The CCO reviews a sample of financial plans when doing a branch inspection as part of compliance testing of the Firm's policies and procedures. These reviews are intended to ensure that all aspects of the client's financial situation -- as reported by the client -- were taken into consideration when creating the plan and that the plan generated by the IAR is suitable for the client and the clients' intended needs.

Premium 72 Capital recommends that clients have their financial situation reviewed at least annually and updated as needed. If clients elect to have Premium 72 Capital perform this review and update, a new client agreement will be required, and additional fees will be charged.

Factors that will Trigger a Non-Periodic Review of Clients' Accounts

As part of its investment advisory services, the IAR will review client accounts on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, market conditions, performance, account additions or withdrawals, changes in tax or retirement regulations and/or a change in the client's financial situation (retirement, change of employment, change of residence, inheritance, etc.) and investment objective. Based upon the IAR's analysis of the account review triggered by these factors, there could be either increased account activity or extended periods when the IAR determines that changes to a client's holdings are neither necessary nor prudent. Premium 72 Capital's fees and any other fees remain payable during periods of account inactivity.

Reports

The primary reports provided to clients of Premium 72 Capital come from the client's custodian. Please see *Item 15: Custody*. The Custodian is required by law to provide account statements directly to the client or the client's representative no less frequently than quarterly; when there is any account activity, the statement will be monthly. At our discretion, IARs from time to time provide written performance and/or position reports to clients in addition to the custodian's statements. **The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Premium 72 Capital.**

Item 14 – Client Referrals and Other Compensation

Premium 72 Capital does not currently maintain referral arrangements, paid or otherwise, with any Custodian or other third-party solicitors. In the event we should, in the future, pay cash referral fees to a third-party solicitor, the referral agreement and the related activities will comply with Advisers Act Rule 206(4)-3. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser before the payment of a cash fee directly or indirectly, for a client solicitation or referral. To the extent that Premium 72 Capital determines to maintain a referral arrangement, fees charged by us to clients introduced by the solicitor will not, because of the solicitation, be any higher than those charged to similar clients who were not introduced by the solicitor.

As discussed above, our use of a Custodian can yield increased administrative ease and, therefore, increased profitability for Premium 72 Capital.

Item 15 – Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser can access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. For this reason, we ask that all client funds for management be payable to the Custodian, never to the IAR nor Premium 72 Capital. For the same reason, Premium 72 Capital's IARs are not permitted to serve as trustees of client trusts nor as executors of a client estate; we must not hold login information and passwords for outside retirement or brokerage accounts. We also will not write checks or pay bills on behalf of the client.

Premium 72 Capital is deemed to have custody in only two situations. First, we are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. Second, we also are deemed to have custody of client assets because we have Standing Letters of Authorization ("SLOAs") on file for certain clients. We work with the client's Custodian to follow very precise steps in handling SLOAs to maintain compliance with regulatory guidelines. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Premium 72 Capital has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the details about the account in which the funds or securities are maintained. Finally, as noted in *Item 13 - Review of Accounts*, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. **Clients should carefully review those statements and are urged to compare the statements against reports received directly from**

Premium 72 Capital. When clients have questions about their account statements, they should contact Premium 72 Capital or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

For those client accounts where Premium 72 Capital provides ongoing supervision, some clients have given us written discretionary authority over the client’s accounts for securities to be bought or sold, and the amount of securities to be bought or sold. This discretion is to be exercised in a manner consistent with the stated investment objectives for the client account. Clients who wish to impose any restrictions or limitations on this authority must do so in writing. When selecting securities and determining amounts, we observe the investment policies, limitations, and restrictions of the client. However, Premium 72 Capital does accept non-discretionary accounts but generally does not accept accounts in which investments are client-directed.

Details of this relationship are fully disclosed to the client before any advisory relationship begins. The client provides us discretionary authority by signing a limited power of attorney both in the Investment Advisory Contract and the contract between the client and the custodian.

Item 17 – Voting Client Securities

General Policy

It is the policy of Premium 72 Capital to not vote proxies for clients. Clients specifically retain the responsibility for receiving and voting proxies for securities maintained in client accounts. Clients will receive proxies directly from the issuer of the security or the custodian and should direct all proxy questions to the issuer of the security.

Item 18 – Financial Information

Premium 72 Capital is not aware of any financial conditions that are reasonably likely to impair the Firm’s ability to meet its contractual commitments to its clients.