

# PIVOTALPATH (AMERICAS) LLC

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## Client Brochure

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*This brochure provides information about the qualifications and business practices of PivotalPath (Americas) LLC. If you have any questions about the contents of this brochure, please contact us at (212) 257-4860 or by email at: [info@pivotalpath.com](mailto:info@pivotalpath.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about PivotalPath (Americas) LLC is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). PivotalPath (Americas) LLC's CRD number is: 169429*

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*Registration with the SEC does not imply a certain level of skill or training.*  
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## **Item 2 Material Changes**

There have been no material changes to the brochure since the firm's most recent annual filing on February 20, 2020.

## Item 3 Table Of Contents

Item 2 Material Changes.....	2
Item 3 Table Of Contents.....	3
Item 4 Advisory Business .....	5
A. Description of the Advisory Firm.....	5
B. Types of Advisory Services .....	5
C. Client Tailored Services and Client Imposed Restrictions .....	6
D. Wrap Fee Programs .....	6
E. Assets Under Management .....	6
Item 5 Fees and Compensation.....	6
A. Fee Schedule.....	6
B. Payment of Fees.....	7
C. Clients Are Responsible For Third Party Fees .....	7
D. Prepayment of Fees .....	7
E. Outside Compensation For the Sale of Securities to Clients.....	7
Item 6 Performance-Based Fees and Side-By-Side Management.....	7
Item 7 Types of Clients .....	7
Item 8 Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	8
A. Methods of Analysis & Investment Strategies .....	8
B. Material Risks Involved.....	9
C. Risks of Specific Securities Utilized.....	9
Item 9 Disciplinary Information .....	10
Item 10 Other Financial Industry Activities and Affiliations .....	10
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	10
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	10
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interest .....	10
D. Selection of Other Advisors or Managers and How this Adviser is Compensated for Those Selections.....	10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ...	11
A. Code of Ethics .....	11
B. Recommendations Involving Material Financial Interests.....	11
C. Investing Personal Money in the Same Securities as Clients .....	11
D. Trading Securities At/Around the Same Time as Client's Securities .....	11
Item 12 Brokerage Practices .....	11
A. Factors Used to Select Custodians and/or Broker/Dealers .....	12
B. Aggregating (Block) Trading for Multiple Client Accounts .....	12

Item 13 Reviews of Accounts .....	12
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	12
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	12
C. Content and Frequency of Regular Reports Provided to Clients .....	12
Item 14 Client Referrals and Other Compensation .....	12
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	12
B. Compensation to Non-Advisory Personnel for Client Referrals .....	13
Item 15 Custody .....	13
Item 16 Investment Discretion .....	13
Item 17 Voting Client Securities (Proxy Voting) .....	13
Item 18 Financial Information .....	13
A. Balance Sheet .....	13
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	13
C. Bankruptcy Petitions in Previous Ten Years .....	14

## **Item 4 Advisory Business**

### **A. Description of the Advisory Firm**

PivotalPath (Americas) LLC ("PivotalPath"), a New York limited liability company organized on July 13, 2010, is an independent hedge fund research and advisory firm with its principal place of business in New York, New York.

In September 2013, PivotalPath became wholly-owned by PivotalPath, Inc. Jonathan Marc Caplis serves as the President, Chief Executive Officer and Chief Compliance Officer of PivotalPath.

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

#### **Investment Advisory Services**

PivotalPath provides non-discretionary investment advisory services and research on hedge fund investments to institutional investors (i.e. family offices, endowments, foundations, banks, etc.). PivotalPath gathers information from each client which outlines the client's current needs (investment objectives, liquidity considerations and risk tolerance levels) and then constructs a plan to assist in the evaluation of hedge fund investments and research on investment strategies.

Investment Advisory Services include, but are not limited to, the following:

- ☐ Portfolio construction
- ☐ Manager research, selection and monitoring
- ☐ Strategy tactical allocation
- ☐ Strategy research and development
- ☐ Risk oversight and management
- ☐ Customized reporting
- ☐ Operational due diligence
- ☐ Knowledge transfer and staff training

PivotalPath may also evaluate the current investments of each client with respect to their risk tolerance levels and time horizon.

#### **Services Limited to Specific Types of Investments**

PivotalPath generally provides hedge fund investment advisory services.

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

PivotalPath offers advisory and research services customized to each of our client's specific needs and specifications. PivotalPath's business is to advise a select group of clients and provide high levels of service and interaction. We aim to become a natural extension of our client's investment team and processes.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values, diversification constraints, liquidity constraints and/or specific mandate guidelines and PivotalPath considers such restrictions prior to making any recommendations.

## **D. Wrap Fee Programs**

Not applicable.

## **E. Assets Under Management**

PivotalPath has no regulatory assets under management. PivotalPath provides non-discretionary investment research and advice on hedge fund investments only to institutional clients (i.e. pension plans, family offices, private funds, qualified investors, banks, etc.). PivotalPath currently provides the above services, on a non-discretionary basis, to aggregate client hedge fund investment portfolios of \$8 billion as of December 31, 2021

# **Item 5 Fees and Compensation**

## **A. Fee Schedule**

### **Fixed Retainer Fees**

Depending upon the scope and complexity of the situation, clients may be charged a fixed fee for investment advisory and research services. These fees are paid either in arrears or in advance but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable but are typically based upon the time commitment and value added of PivotalPath services. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

## **B. Payment of Fees**

### **Payment of Fixed Retainer Fees**

Fixed Retainer Fees will be invoiced and payment will be made to the Adviser via check or wire transfer. Fees are generally payable quarterly either in arrears or in advance.

## **C. Clients Are Responsible For Third Party Fees**

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

## **D. Prepayment of Fees**

PivotalPath collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at any point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check or wire transfer.

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

Not applicable.

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

PivotalPath does not charge or utilize performance-based fees. Clients should be aware that investment advisers may have an incentive to invest in riskier investments when compensated in whole or in part by performance based fees.

## **Item 7 Types of Clients**

PivotalPath clients are sophisticated U.S. and non-U.S. institutional investors. PivotalPath generally provides non-discretionary investment advisory services to the following types of clients:

- Family Offices (single and multi-family)
- Hedge fund of funds and other commingled product providers
- Banks, insurance and other regulated entities
- Pension plans and trusts

- Foundations and endowments
- Corporations and other business entities

### **Minimum Asset Size**

PivotalPath has no minimum asset size on which it could advise but most clients will be Qualified Institutional Buyers ("QIB").

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

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

#### **Summary**

PivotalPath's investment philosophy is centered around risk control and risk management. We believe that long term investment success is a direct result of a deliberate risk management process adhered to by hedge funds of measuring risk, monitoring risk and ultimately managing risk.

PivotalPath investment evaluation process combines both qualitative due diligence and rigorous quantitative analysis to formulate a sound judgment on the risk of the people, portfolio, performance and operations of an investment firm. PivotalPath seeks managers that have demonstrated an ability to manage risk and consequently build a business that produces sustainable investment results. Within the distinct hedge fund strategies, we identify the fund managers for client portfolio recommendations.

PivotalPath competitive edge comes from its principals' extensive financial markets experience coupled with a holistic approach towards assessing a hedge fund manager's likelihood of success in a given strategy. While PivotalPath's statistical tools allow us to either support or refute a manager's claims, it is the in-person due diligence meetings that are used as a primary method for analysis.

## **Investment Strategies**

PivotalPath researches and recommends investment in hedge fund firms engaged in both directional and arbitrage strategies. These include but are not limited to long/short equity, relative value, event driven, global macro, managed futures and commodities.

## **B. Material Risks Involved**

PivotalPath advises client portfolio's which are exposed to different associated risks depending on the underlying investment strategies utilized by the hedge fund managers however all the investments risk the loss of capital. PivotalPath seeks to mitigate such risk as part of its due diligence process and on-going monitoring but there is no guarantee or assurance that PivotalPath's investment advice will be successful.

Before subscribing to any underlying fund or investment program recommended by PivotalPath, each client should carefully review all offering and subscription documentation provided by such funds, including, without limitation, the organizational and disclosure materials provided by the funds. In addition, subject to compliance with a client's particular investment guidelines and restrictions, PivotalPath may recommend a fund or investment program that includes the following potential risks: illiquid instruments, non-US securities, emerging markets, leverage, control positions, highly concentrated portfolios and highly speculative investment techniques. Neither PivotalPath nor any of its officers, directors, agents or affiliates will have the ability to direct or influence the management of an underlying fund or the investment of its assets.

Clients should be aware that funds recommended by PivotalPath are not likely to be registered under any law, including the U.S. Investment Company Act of 1940.

**Investing in securities involves risk of loss. Clients should be able to bear the loss of their entire investment.**

## **C. Risks of Specific Securities Utilized**

Investing in hedge funds can be speculative and involve a high degree of risk. Clients could lose all or a substantial amount of any investments made in such securities. Funds may have complex tax structures and charge fees that can offset any trading gains. Some funds have limited operating histories and may be very volatile. Interests in funds recommended by PivotalPath are generally

subject to substantial restrictions on redemptions and transfers and such interests may otherwise be illiquid.

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

## **Item 9 Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

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

Neither PivotalPath nor its representatives are registered as a broker/dealer or broker/dealer representative.

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

Neither PivotalPath nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Not applicable.

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

PivotalPath provides research and investment advice to institutional clients seeking to invest with hedge fund managers, which may be construed as other advisors. PivotalPath may from time to time evaluate other advisors on behalf of institutional clients. PivotalPath will not receive any compensation from the advisors/managers to which it directs those clients.

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

## **Personal Trading**

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

PivotalPath has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management by sending a request by email to [info@pivotalpath.com](mailto:info@pivotalpath.com).

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

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

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

PivotalPath only provides non-discretionary investment research and advice on hedge fund investments to institutional clients. However, from time to time, representatives of PivotalPath may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PivotalPath to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. PivotalPath will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

PivotalPath does not have trading authority over clients' securities. Hedge fund investments regularly trade at a Net Asset Value (NAV) on a regular basis with all buy or sell transactions occurring at the NAV.

## **Item 12 Brokerage Practices**

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

PivotalPath does not recommend custodians or broker-dealers to clients.

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

PivotalPath does not trade client's accounts.

## **Item 13 Reviews of Accounts**

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

Advice provided to clients is reviewed periodically (minimum annually) by PivotalPath, Managing Director. PivotalPath is the chief adviser and is responsible for reviewing client information with regards to their investment policies, risk tolerance levels and the performance of each client account. All clients at PivotalPath are presently assigned to this reviewer.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's investment objectives or guidelines.

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

In certain instances, each client may receive periodically, from the custodian or other third-party, a written report that details the client's account including assets held and asset value. PivotalPath may also provide periodic research and monitoring reports in addition to the reports, if any, provided by the custodian or third-party manager.

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

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

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

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

PivotalPath may compensate other parties ("solicitors") for client referrals in accordance with Rule

206(4)-3 of the Investment Advisers Act of 1940 ("the Act"). All such compensation will be disclosed to the client at the time of the referral as required by the Act. Any solicitors with whom PivotalPath enters into a written agreement for solicitation will be compensated for referring clients to PivotalPath. In accordance with the terms of the agreement, all solicitors will be required to deliver to referral clients, at the time of referral, a copy of this brochure as well as a Solicitors Disclosure Statement, which describes, among other things, the relationship between PivotalPath and the solicitor and the terms of compensation.

## **Item 15 Custody**

PivotalPath only provides non-discretionary investment research and advice on hedge fund investments to institutional investors and does not take custody of client accounts at any time.

## **Item 16 Investment Discretion**

PivotalPath does not have discretion over client portfolios at any time.

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

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

## **Item 18 Financial Information**

### **A. Balance Sheet**

PivotalPath does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this ADV Form 2A.

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

Neither PivotalPath nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

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

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