



Puissance Capital Management LP

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This brochure provides information about the qualifications and business practices of Puissance Capital Management LP. If you have any questions about the contents of this brochure, please contact Puissance Capital Management LP at 212-878-3702.

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 Puissance Capital Management LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Any reference to Puissance Capital Management LP as a registered investment adviser does not imply a certain level of skill or training.

Item 2 - Material Changes

The last update of this Brochure was filed by Puissance Capital Management LP with the SEC on January 25, 2021. There have been no material changes since the last update.

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Item 4 - Advisory Business

Puissance Capital Management LP ("Puissance", the "Firm", or "we") is a Delaware limited partnership that was formed in January 2015. Puissance is controlled by its principal owner, Theodore Wang (the "Principal Owner"). Puissance provides investment advisory services to pooled investment vehicles, referred to as the "Funds". In the future, Puissance may also provide investment advisory services to separately managed accounts (the "Managed Accounts"). Unless clearly suggested otherwise, the Funds and Managed Accounts are collectively referred to herein as the "Clients."

Puissance provides investment management services to its Clients pursuant to investment guidelines within the relevant governing documents, offerings documents and/or investment management agreements.

Puissance seeks to accomplish its Clients' investment objectives through disciplined, research-intensive investment and risk-management processes focusing primarily on U.S. and Asian public companies (including "new issues") and equity-linked securities (*e.g.*, common and preferred stock, options, warrants and other derivatives) which we believe may be priced above or below their intrinsic value from time to time.

Puissance will not tailor its services to the individual Fund investors or provide investors with the right to specify, restrict, or influence the Funds' investment objectives or any investment or trading decisions.

Puissance also provides consulting services to certain companies. Such services may involve assisting with business development activities related to the sale of companies' products in China. Additionally, in its capacities as a consultant, Puissance may provide advice regarding strategic partnerships across all aspects of a company's business with a particular focus on partnerships in China.

Puissance does not participate in wrap fee programs.

As of December 31, 2020, Puissance had \$34,070,264 of regulatory assets under management, all of which was managed on a discretionary basis.

Item 5 - Fees and Compensation

Puissance or its affiliates will receive a management fee and performance-based compensation from Clients. The Firm's management fee is generally equal to 2.00% of assets under management per annum and performance-based compensation is generally equal to 20% of the appreciation in the net asset value of each account during each year. Fee arrangements may be amended by agreement between Puissance and each Client or investor. The exact compensation structure will be set forth in the relevant investment management agreement with each Client and each investor, as the case may be.

Puissance expects that the Funds will be responsible for investment-related expenses (including brokerage (see Item 12 below), as well as their organizational and offering expenses.

The expenses charged to any Managed Accounts will be determined on a case-by-case basis.

To the extent that Puissance allocates Clients' capital to money market funds or exchange-traded funds, Clients would indirectly incur similar fees and expenses as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

Item 6 - Performance Fees and Side-by-Side Management

Puissance or its affiliates will receive performance-based compensation from Clients, which will be based on a percentage of capital appreciation of their assets.

The terms of the performance-based compensation may differ among the Clients. This may result in a conflict of interest when allocating opportunities among Clients, as Puissance may have an incentive to favor Clients that have higher performance-based compensation. To avoid such a conflict of interest, Puissance will develop documented procedures for allocating opportunities among Clients, which will not take into account the performance-based compensation.

As management fees and performance-based compensation will be based directly on Clients' net asset values, Puissance may have a conflict of interest in valuing the assets held in Client accounts. Puissance will follow documented valuation policies and consult with each Client's third-party administrator, as applicable, in order to mitigate this risk.

Item 7 - Types of Clients

Puissance will provide investment advice to clients that are private funds or other institutional investors. Investors in the Funds are generally expected to be institutional investors and high net worth individuals that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended) and "qualified purchasers" (as defined under the Investment Company Act of 1940, as amended). The minimum initial investment in the Funds is expected to be \$1 million, subject to Puissance's discretion to accept lesser amounts. Puissance will determine the minimum investment for a Managed Account on a case by case basis.

Item 8 - Methods of Analysis, Investment Strategies, Risk of Loss

Investment Objective

Generally, the investment objective of the Funds will be to maximize absolute returns over a market cycle by dynamically managing risk and opportunistically allocating assets globally.

The primary investing universe consists of U.S. and Asian companies that will be positively or negatively impacted by various drivers, including structural changes in the Chinese economy.

Investment Strategy

We believe that over next several years, structural changes occurring in the Chinese economy and the continued liberalization of their financial and capital markets will provide unprecedented opportunities for investors with the proper expertise to invest in undervalued growth companies. Some of these trends from a policy standpoint include achieving higher quality economic growth, privatization of certain industries at the national and local levels, pollution control initiatives, and improvements in the health care sector. Furthermore, we believe that investment opportunities will also be created through the continued opening of China's financial and capital markets which include the ongoing liberalization of the currency, easing restrictions on capital inflows and outflows, and

initiatives to open securities markets to foreign investors which will ultimately lead to their inclusion in global indices.

Method of Analysis

We will utilize top-down analysis of government policy and transformational macroeconomic trends as well as bottom-up fundamental analysis to generate and evaluate core investment ideas. We have a team of researchers based in China to provide a proprietary on-the-ground perspective, develop regional relationships and to perform on-site due diligence, company visits and cross checks of customers and suppliers. An important overlay to the investment process will be the use of big data analytics to generate unique investment ideas and to test the fundamental thesis and assumptions of all ideas.

The portfolio will generally consist of core concentrated long and short positions and tactical trading and arbitrage positions to take advantage of market events and dislocations. Capital will be dynamically allocated across the portfolio to take advantage of the most promising opportunities across strategies and markets. The tactical trading opportunities will generally determine the amount of leverage employed.

Certain Risk Factors

Puissance anticipates that its investment strategy will involve significant risks. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in Puissance's investment strategy. For a more complete list of expected risk factors, prospective Fund investors will be urged to review each Fund's offering documents.

Nature of Investments – Puissance has broad discretion in making investments for the Clients. Investments will generally consist of equity securities, equity-related instruments and other financial instruments and assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Clients' activities and the value of its investments. In addition, the value of the Clients' portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Clients' investment objective will be achieved or that the Clients will be profitable.

Diversification – While the Clients' portfolios will generally contain a number of both long and short positions, the Clients are not required to maintain a wide diversification among issuers, market capitalizations, industries, types of securities and geographic areas. Accordingly, the Clients' portfolios may be subject to more rapid change in value than would be the case if the Clients were required to maintain such diversification. In particular, market changes or other events affecting certain target markets of the portfolio may have a significant effect on the portfolio and these markets may be more volatile than the U.S. equity market. Accordingly, the portfolios may be subject to more rapid changes in value than would be the case if the portfolio were required to maintain a wide diversification.

Asian Markets – Investments in securities of Asian companies can be more volatile in response to non-fundamental exogenous factors than investments in U.S. companies or the U.S. government. Diplomatic, social, political, or economic developments, including nationalization or appropriation, could affect investments in Asia. In addition, global economies and financial markets in Asia

generally have less trading volume and less liquidity than U.S. markets. The profitability of a significant portion of the Clients' investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Puissance will be able to predict accurately these price movements. Although we may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some, and occasionally a significant, degree of market risk. Furthermore, the value of securities denominated in other currencies, and of dividends from such securities, can change significantly when such currencies strengthen or weaken relative to the U.S. dollar. Additionally, Asian companies generally are not subject to the same accounting, auditing, and financial reporting standards applicable to U.S. companies or the U.S. government. Similarly, there is less extensive regulation of brokers and custodians, and less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors.

Non-U.S. Securities – Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. government or U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Use of Leverage – The Clients may utilize leverage which could result in the Clients controlling more assets than the Clients have equity. Leverage increases the Clients' returns if the Clients earn a greater return on investments purchased with borrowed funds than the Clients' cost of borrowing such funds. However, the use of leverage exposes the Clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Clients not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Clients' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Clients' assets, the Clients might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, Puissance may find it difficult or impossible to obtain leverage for the Clients. In such event, the Clients could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Puissance being forced to unwind the Clients' positions quickly and at prices below what we deem to be fair value for such positions.

Options – The purchase or sale of an option (including an over-the-counter option) involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Short Sales – Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Clients' portfolios. A short sale involves the risk of a theoretically unlimited

increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Derivatives – To the extent that the Clients invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Clients may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Clients, and hence the Clients should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical, or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Currency Risks – The Clients' investments that are denominated in non-U.S. currencies are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. From time to time, Puissance may try to hedge these risks by investing in currencies and options thereon, forward currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented or, if implemented, will be effective. The Clients may also invest in currencies for speculative purposes.

Reliance on Theodore Wang – The Fund significantly relies on the services of the managing member of the general partner of Puissance, Theodore Wang. Mr. Wang is responsible for all of the major decisions affecting the Fund. Should Mr. Wang determine to discontinue managing the affairs of, or withdraw from, the Firm or should Mr. Wang die, be incapacitated or, for some other reason, be unable to effectively manage the affairs of the Firm, the business and results of the operations of the Fund may be adversely affected.

Limited Rights of Investors – Substantially all decisions with respect to the management of the Funds are made exclusively by the Firm. Fund investors have no right or power to take part in the management of the Funds. We also make all of the trading and investment decisions of the Funds. In the event of our withdrawal or bankruptcy, generally the Funds will be liquidated.

Substantial Changes in Regulation – Regulation of securities markets has undergone substantial change in recent years and is expected to continue to change. There can be no assurance that we will be able, for financial reasons or otherwise, to comply with future laws and regulations.

Item 9 – Disciplinary Information

Neither we nor any of our management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

Item 10 - Other Financial Industry Activities and Affiliations

Neither we nor any of the Firm's management personnel have any relationships or arrangements that pose material conflicts of interest to the business of Puissance.

Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

Code of Ethics

Puissance has adopted a Code of Ethics (the "Code of Ethics"), which is designed to ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics will apply to all Puissance employees. In addition, Puissance recognizes that it will have a fiduciary duty to its Clients, and that all of its employees will need to conduct their business on Puissance's behalf in a manner that enables Puissance to fulfill this fiduciary duty. In this regard, Puissance will develop policies and procedures in the Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. Employees will be provided with a copy of the Code of Ethics and will be required to sign and acknowledge that they will comply with its provisions on an annual basis. Puissance will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Personal Trading

Under the Code of Ethics, employees (and members of their immediate households) must obtain written pre-approval from Puissance's Chief Compliance Officer (the "CCO") prior to executing single name or company-specific transactions in any personal account. The spirit of the Code of Ethics is to discourage frequent trading in employee personal accounts.

Employees must also obtain pre-approval from the CCO before engaging in any outside business activities. In addition, where the activities of the CCO require pre-approval, that approval will be provided by the Principal Owner.

All employees must provide duplicate copies of brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

Participation and Interest in Client Transactions

Subject to applicable law, Puissance may affect transactions between Client accounts whereby one Client account will purchase securities from or sell securities to another account. Puissance does not currently intend to engage in such activity. Nonetheless, if it plans on effecting such transactions in the future, it will develop documented procedures for doing so, including requiring pre-approval from the CCO.

Item 12 - Brokerage Practices

Selection of Brokers

In placing portfolio transactions for Clients, Puissance will seek to obtain the best execution for Client accounts, which may take into account a number of the following factors, among others: price, timeliness of execution, the availability of financing, the financial stability and reputation of a broker, the value of research, brokerage and other services provided, the responsiveness of a broker-dealer, a broker-dealer's financial resources, counterparty credit risk, and access to liquidity for certain less liquid products.

Puissance has established a Brokerage Committee (consisting of the Chief Investment Officer, the Head Trader, and the CCO), which meets on a quarterly basis to review the execution performance of the broker-dealers Puissance uses to execute Client transactions. The committee also reviews commissions paid to brokers, soft dollar arrangements (if any) and certain conflicts of interest.

Best Execution

As an investment adviser, we have a duty to obtain “Best Execution” for Client transactions. Elements of Best Execution may include best price (best price is considered to be the highest price that a client can sell a security and the lowest price that a client can purchase a security), timeliness of execution, the value of research provided, the responsiveness of the broker-dealer to the Firm, and the broker-dealer’s financial resources.

Trade Allocation

Any investment decisions that affect more than one account may require us to acquire or dispose of the same security for more than one Client at the same time. Our policy is to equitably allocate, buy, and sell executions among the Clients when feasible and appropriate over time.

We anticipate that trade allocations shall generally be determined on a pro-rata basis according to the amount of assets in each fund or client account subject to any modification and provided that the trade is appropriate and permitted for each account that will participate in that transaction. Allocation methods may be modified when strict adherence to the usual allocation is impractical or leads to inefficient or undesirable results.

Aggregation of Orders

For participating client accounts, it is our intention that we will aggregate trade orders for these accounts in order to achieve more efficient execution or to provide for equitable treatment among our client accounts. The client accounts participating in aggregated trades generally will be allocated securities based on a pro-rata basis at the price achieved for those trades.

Trade Errors

On occasion we may experience errors with respect to trades made on behalf of the Clients. Trade errors can result from a variety of situations, including for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account, when the wrong amount is purchased or sold or when a misallocation among the Clients occurs. We endeavor to detect trade errors prior to settlement and correct them in an expeditious manner.

If it appears that a trade error has occurred, we will review the relevant facts and circumstances to determine an appropriate course of action. Puissance has discretion to resolve a particular error in any appropriate manner, as determined by the Firm that is consistent with our fiduciary duty to the Clients. Trade errors that result other than by breach of the standard of care may be borne by the relevant Client.

Puissance will not correct a trade error made for one Client by causing another Client to buy or sell the securities. We also will not directly or indirectly use soft dollars to correct trade errors.

Research and Other Soft Dollar Benefits

Puissance may enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements may pose a conflict of interest for Puissance in that such arrangements may allow Puissance to pay with Client commissions expenses that would otherwise be borne by Puissance or directly by a Fund. If Puissance uses Client brokerage commissions (or mark-ups or mark-downs) to obtain research or other products or services, it will receive a benefit because it would not have to produce or pay for the research, products, or services. Puissance may have an incentive to select a broker based on Puissance's interest in receiving the research or other products or services offered by such broker, rather than on Clients' interests in receiving most favorable execution.

To the extent that it engages in soft dollar transactions, Puissance intends to comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising its discretionary authority to select or arrange for the selection of brokers for execution of transactions for Clients, and, subject to its duty to obtain best execution, Puissance may consider the value of research and brokerage products and services (collectively, "Research") provided by such brokers. Research may include, among other things, proprietary research from brokers, which may be written or oral. Research products may include, among other things, databases and quotation services. Research services may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. Accordingly, if Puissance determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a Client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all Clients and not exclusively in connection with the management of the Clients that generated the particular soft dollar credits.

Where a product or service obtained with Client commission dollars provides both research and non-research assistance to Puissance, Puissance would make a reasonable allocation of the cost which may be paid for with Client commission dollars.

Puissance will execute securities transactions on behalf of Clients with broker-dealers that provide Puissance with access to proprietary research reports (such as standard investment research and credit reports). To Puissance's knowledge, these services are generally made available to all firms doing business with such broker-dealers. These bundled services would likely be made available to Puissance on an unsolicited basis and without regard to the rates of commissions charged or paid by Clients or the volume of business that Puissance directs to such broker-dealers.

Item 13 - Review of Accounts

Review of Accounts

The portfolios of the Clients are reviewed on a continual basis by the Chief Investment Officer to assure conformity with investment objectives and guidelines. We engage in active management for the Funds and accordingly review our transactions, positions, and cash balances on a daily basis.

Reporting

We have engaged an independent administrator to send monthly unaudited reports reviewing each Fund's performance to fund investors. Additionally, fund investors receive independently audited financial statements on an annual basis.

Item 14 - Client Referrals and Other Compensation

Other than the products and services that Puissance receives from broker-dealers (described above under Item 12), Puissance does not expect to receive any economic benefits from third parties in connection with the provision of investment advice to Clients. Additionally, Puissance does not currently plan on directly or indirectly compensating any person for investor referrals.

We do not currently use any third-party marketers or solicitors.

Item 15 - Custody

Puissance will comply with the requirements of the Rule 206(4)-2 of the Advisers Act (the "Custody Rule") with regard to each of the Funds it advises. Puissance will be deemed to have custody of the Funds because it or a related party will be the general partner of the Funds and have the authority to move cash securities from the Funds' accounts.

Puissance will comply with the requirements of the Custody Rule with respect to each Fund by having each Fund audited annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. These audited financial statements will be distributed to all investors within 120 days of the end of the Funds' fiscal year.

Owners of any future Managed Accounts are expected to receive account statements no less frequently than quarterly from the custodians of such accounts. Managed Account Clients should carefully review such statements that are received from the custodians of such accounts.

Item 16 - Investment Discretion

Puissance will have discretionary authority to manage securities accounts on behalf of the Clients. The investors in the Funds generally will not have the ability to place any limits on Puissance's authority beyond the limitations set forth in the governing documents and/or offering documents of the applicable Fund. On a case by case basis, owners of any Managed Accounts may negotiate certain risk and/or operating guidelines that Puissance will adhere to when exercising its discretionary authority over such accounts.

Item 17 - Voting Client Securities

Puissance will establish proxy voting policies and procedures (a "Proxy Voting Policy") designed to ensure that proxies are voted in the best interest of the Clients.

The Proxy Voting Policy is expected to require Puissance, when voting proxies, to follow procedures designed to identify and address material conflicts that may arise between its interests and those

of its Clients. Accordingly, prior to voting any proxy, the CCO will determine whether a material conflict of interest exists and will either resolve the conflict or refer to proxy vote to an outside service provider for its independent consideration.

In the absence of a material conflict, Puissance will follow the voting guidelines set forth in its Proxy Voting Policy to determine whether and how to vote a proxy.

Upon the request by a Client, Puissance will disclose to such Client how it voted securities owned by such Client. Clients may also contact Puissance via e-mail or telephone to request a copy of its Proxy Voting Policy.

Item 18 – Financial Information

Puissance has no financial commitment that impairs the Firm's ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.