



**SOLSTEIN CAPITAL, LLC**

**FIRM BROCHURE**

**July 1, 2021**

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This brochure represents Part 2A of Form ADV. It provides information about the qualifications and business practices of Solstein Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 231-3000 or [admin@solsteincapital.com](mailto:admin@solsteincapital.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. Solstein Capital, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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

## **ITEM 2 – MATERIAL CHANGES**

There have been no material changes since our last brochure dated March 2021.

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## **ITEM 4 – ADVISORY BUSINESS**

### **A. *Firm Ownership/ History***

Solstein Capital, LLC (the “Firm” or “Solstein Capital”) is a Delaware Limited Liability Company formed on July 13, 2010. The Firm is wholly-owned and led by its Managing Members, Nadine Terman and Juan Carlos Torres (the “Principals”). The Principals own the Firm in equal proportion.

The Firm provides investment advisory services on a discretionary basis to private funds and separately managed accounts (“Clients”).

### **B. *Advisory Services Offered***

Solstein Capital provides investment management services to private funds and separately managed clients, which include but are not limited to high net worth individuals, family offices, and other businesses, as well such other services as may be incidental to, or reasonably necessary or appropriate in relation to, such investment management services. The Firm does not intend to engage in any other business outside of its core investment management business.

The Firm has full discretion in managing funds on behalf of our Clients; the investment mandates are described in the partnership documents and/or investment advisory agreements.

The Firm also provides model recommendations for its Assets Under Advisement.

The Firm provides back office support to certain non-affiliates investment advisors for compensation.

### **C. *Tailored Services***

Solstein Capital furnishes investment advice to its separately managed accounts based on their investment objectives. Private funds are managed according to the objectives outlined in the partnership documents and not tailored to specific investor needs.

Clients may place restrictions on their accounts, as long as it doesn’t prevent Solstein Capital from achieving the client’s investment objectives.

### **E. *Assets Under Management and Under Advisement***

As of December 31, 2020, Solstein Capital had approximately \$234.2 million in discretionary assets under management and \$22 million in assets under advisement.

## **ITEM 5 – FEES AND COMPENSATION**

### **A.      *Compensation for Advisory Services***

#### **The Partnership**

Fees for the Partnership are described in the fund's Private Placement Memorandum ("PPM"). Investors are generally charged an advisory fee, payable monthly in advance, based upon the net asset value of the capital account of each investor on the first day of each calendar month. The Partnership also charges a performance-based fee which is charged annually. Both the advisory fee and performance fees are negotiable and at the General Partner's discretion. Certain Limited Partners invested in the Partnership at times when the Firm was offering discounted fees and therefore will pay a lower management fee and/or performance-based fee than Limited Partners who did not invest under those circumstances. Generally speaking, the investors in the Fund will pay a management fee and a performance fee or some combination of the two. There are also some Limited Partners who do not pay a management fee or a performance fee.

#### **Separately Managed Accounts**

Management fees paid by the Firm's separate account clients are a percentage of assets under management and are currently individualized subject to negotiation based on account size and objectives. Fees will be fully disclosed in the client's investment advisory agreements. Fees are calculated using the average assets under management for the quarter, paid in arrears. Solstein requires a minimum investment of \$25 million per separately managed account, although the Firm may accept lesser amounts in its discretion.

### **B.      *Payment of Fees***

All fees and expenses borne by investors of the Fund are paid to the Firm out of the respective investor's capital account. Fees for separately managed accounts are either invoiced to the clients and paid to the Firm or directly debited from the separately managed accounts' custodial account. Fees will only be directly debited following written authorization from the client and clients will still receive an invoice detailing the calculation the fee.

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

#### **The Partnership**

The Partnership will pay to the Firm all other expenses, liabilities and obligations attributable to the activities of the Partnership and the General Partner, including, without limitation: (i) interest charges, taxes and expenses of an extraordinary nature; (ii) costs, expenses, liabilities and obligations attributable to acquiring, financing, holding, monitoring and disposing of investments, including, without limitation, dividends on short sales, brokerage fees and commissions and fees and expenses of custodians or depositories appointed for the safekeeping of the Partnership's cash, securities or other property; (iii) legal, accounting, bookkeeping, auditing, travel, insurance (including directors and officers and errors and omissions liability insurance), litigation and indemnification costs and

expenses, judgments, settlements and similar fees and expenses; (iv) expenses of registering any securities under Federal, state or foreign securities laws; (v) expenses of preparing, printing and distributing reports and other documents to be distributed to the partners (including the preparation of Partnership financial statements, tax returns and Schedule K-1s); (vi) expenses relating to reporting to any governmental agency; (vii) all fees and expenses of attorneys, business consultants, appraisers and accountants, investment bankers and other third parties incurred in connection with the investigation, purchase, proposed purchase or sale of securities; and (viii) taxes, fees or other governmental charges levied against the Partnership.

### **Separately Managed Accounts**

Clients may incur fees in addition to the management and performance fees paid to Solstein. This can include brokerage commissions and other custodian fees. Please refer to Item 12 Brokerage Practices for more information.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

### **The Partnership**

Solstein receives performance-based fees from the Partnership (each such payment an “Allocation”). All losses previously allocated to a Limited Partner must be recouped through subsequent allocations of gains and income before the General Partner may take additional Allocations. Because Solstein is compensated, in part, based on capital appreciation, there may be an incentive for Solstein to make investments that are riskier or more speculative than would be the case in the absence of such a compensation structure. Solstein mitigates this conflict of interest by reviewing trades for appropriateness in comparison to the Partnership’s strategy. Additionally, the Best Execution Committee meets periodically to review trades for best execution and also for proper allocation. The separately managed accounts (“SMAs”) are not charged a performance-based fee and therefore a conflict of interest exists in which Solstein may favor the Partnership over the SMAs when allocating investment opportunities. To mitigate this conflict, Solstein performs periodic trade and performance testing to analyze the opportunities allocated to the Partnership and the SMAs. While some investment opportunities will be shared between the two strategies, not all investment opportunities are appropriate for both strategies and the Portfolio Manager has sole discretion with regards to the Partnership and within the parameters of the Management Agreement of the SMAs.

## **ITEM 7 – TYPES OF CLIENTS**

Solstein Capital provides investment management services to high-net-worth individuals, private funds, family offices, public pensions, and family offices.

The minimum capital commitment for a Limited Partner to secure an interest in the Partnership is \$1,000,000, although the General Partner may accept lesser amounts in its discretion. Generally, a Limited Partner must be an “accredited investor” as defined under the Securities Act of 1933, a “qualified purchaser” as defined under the Investment

Company Act of 1940, and a “qualified client” as defined under the Investment Advisers Act of 1940.

The General Partner has itself invested in the Partnership.

The minimum capital commitment for a separately managed account is \$25 million, although the Firm may accept lesser amounts in its discretion.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

Solstein Capital sources the majority of its investment ideas and themes through the views, perspectives and experience of the Principals. Once identified, ideas are rigorously analyzed to determine if they meet the criteria for investment. This fundamental analysis is extensive and covers many aspects of a prospective investment’s business, prospects and financial condition. The Firm continually endeavors to become a vastly knowledgeable investor in any company or asset in which it invests or which it is evaluating for potential investment. The Firm conducts an extensive and rigorous due diligence practice of “complete and intense immersion” to assess unit economic drivers, competitor, customer, and industry dynamics, and the regulatory environment, among many other quantitative and qualitative factors. Particular attention is paid to fully understanding a business’s franchise characteristics, its potential competitive weaknesses, its cash generation capacity and its prospective uses of free cash flow. Behind this rigorous analysis lies the Firm’s keystone goal of preserving Client capital. The Principals believe this investment approach minimizes investment risk by combining rigorous, value-based investment analysis with a strong bias toward owning good businesses with proprietary franchise characteristics and owner-oriented managements and boards.

Solstein Capital’s investment approach follows a value-based philosophy in accordance with which the Firm will allocate its clients’ capital by making concentrated investments in public and private businesses around the world that the Principals have identified as trading at substantial discounts to their intrinsic value. The Firm combines this value-based philosophy with an orientation toward acquiring concentrated positions in businesses that have proprietary franchise characteristics, sustainable competitive advantages and owner-oriented managements. We believe high quality businesses tend to have some or all of the following attributes: (i) dominant market share; (ii) barriers to market entry; (iii) strong free cash flow generation; and (iv) high returns on invested capital. The Firm exercises this investment approach in conjunction with a central goal of preserving client capital and managing portfolio risk.

While not entirely contrarian in style, one consequence of Solstein Capital’s investment approach is that its clients may frequently invest in businesses during periods of market volatility or confusion about the business’s prospects. These opportunities, as the Principals perceive them, can relate to potential regulatory changes, disappointing or failed

product launches, dislocations in the capital markets or other factors creating uncertainty or concern in the Wall Street consensus outlook for a business. The Firm believes that the Principals' conviction to buy good businesses in the face of prevailing negative sentiment, buttressed by thorough research and analysis, is an important part of the Firm's ability to acquire good businesses at attractive prices.

The Firm takes a long-term approach to investing and seeks to hold each public investment for three to four years and will work with the management and board of a business, as appropriate, to realize its value. Through the concentrated nature of such positions, the Firm seeks to exercise, directly or indirectly, a degree of influence over the businesses in its clients' portfolios and to add value by working with portfolio company boards of directors and management teams.

***B. Material Risks of the Firm's Investment Approach***

All investments bear different types and degrees of risk and investing in securities involves risk of loss that clients should be prepared to bear.

Solstein Capital's investment strategy involves significant risks that may not be associated with other approaches to investing and which, if unsuccessful, could involve substantial losses. Although the Firm's investment strategy affords the Principals the flexibility to react to changes in market conditions or a company's situation, those changes could involve losses. The Firm seeks to manage this risk of loss through its careful selection of investments. However, the Firm makes no guarantee or representation that the investment strategy it follows will be successful.

***General.*** All investments in securities involve the risk of lost capital. Equity and equity-related securities may be sensitive to movements in the stock market and trends in the overall economy, are subject to the risk that stock prices overall will fail to rise or decline, sometimes rapidly and unpredictably, as well as the risks associated with individual businesses performing poorly. Debt securities are subject to the risk that rising interest rates will cause the overall price of bonds to decline. High risk securities, which may involve highly speculative investment techniques, are subject to the risk of being illiquid (*i.e.*, difficult or impossible to sell at desirable prices in order to minimize loss). The utilization of leverage, the borrowing and lending of securities, the purchase of securities on margin, and the financing of positions and lending of funds through repurchase and reverse repurchase agreements present the risks associated with a counterparty becoming bankrupt or otherwise failing to perform its obligations.

The Firm may make different types of investments for its clients, with different risk, return and market correlation characteristics, and it is difficult to predict the risk, return and market correlation characteristics of each investment. The Firm may make investments in domestic and foreign and public and private securities, and the extent of due diligence by the Principals with respect to such investments may vary widely. Investments may be made gradually over extended periods of time or on an expedited basis with limited information. Depending on conditions and trends in securities markets and the economy generally, the



Firm may pursue other objectives or employ other techniques than those discussed in this brochure that the Principals consider appropriate and in the best interests of clients.

***Concentrated Portfolio.*** An investment portfolio that holds a limited number of concentrated investments, particularly a significant concentration in any one issuer, industry, or geographic region, or in a limited number or types of financial instruments, is typically highly sensitive to changes in the market price of its portfolio securities, as the gains or losses of a single security will have a large impact on the overall portfolio.

***Value-Enhancing Strategies.*** Value-enhancing strategies, such as that which the Firm may employ in order to place its clients in a position of influence with a portfolio company's management, may prove ineffective for a variety of reasons, including, among others: (i) opposition of the management or shareholders of the portfolio company; (ii) intervention of a governmental agency; (iii) efforts by the portfolio company to pursue a "defensive" strategy; and (iv) corporate governance mechanisms such as composition of the board appointed by the management. Further, successful execution of active value-enhancing strategies depends on the active cooperation of shareholders and others with an interest in the portfolio company. Such actors may have interests which diverge significantly from those of the Firm's clients and some of those actors may be indifferent to the proposed strategy.

***Material, Non-Public Information.*** From time to time, the Firm may come into possession of confidential or material, non-public information that would limit the ability of its clients to buy and sell certain securities. Moreover, the Firm will be restricted from initiating transactions in certain securities or liquidating or selling certain investments, due to its acquisition of confidential or material, non-public information, at a time when it would otherwise take such action.

***Leveraged Investments.*** A highly leveraged company is generally more sensitive to downturns in its business and to changes in prevailing economic conditions than is a company with a lower level of debt. In addition, a company with a significant level of debt may be limited in its ability to fund expenditures and to react to changes in its business and industry and may be restricted in its ability to borrow additional funds. Investments in highly leveraged companies may present a higher degree of risk than companies with less indebtedness.

***Co-Investments with Third Parties.*** Co-investing with third parties through partnerships, joint ventures or other co-investment entities may involve the possibility that a third-party co-venturer or partner may, at any time, have inconsistent economic or business interests or goals, suffer from financial difficulties resulting in a negative impact on such investment, or be in a position to take action in a manner contrary to the investment objectives of the Firm's clients. In those circumstances where such third parties involve a management group, the third parties may receive compensation arrangements relating to investments, including incentive compensation arrangements, which could reduce the return for Firm clients participating in the investments. In addition, the Firm's client could, in certain circumstances, be liable for actions or omissions of its third-party co-venturer or partner.

### ***C. Risks of Specific Securities Recommended by the Firm***

***Smaller Company Securities.*** Smaller capitalization companies may provide significant potential for appreciation, but such investments may involve higher risks than investments in the stocks of larger companies. For example, due to thin trading in some smaller capitalization stocks, an investment in such stocks may be characterized by reduced liquidity.

***Distressed Securities.*** The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties (including companies involved in bankruptcy or other reorganization and liquidation proceedings) is unusually high, and such investments involve a substantial degree of risk. In particular, an investor in a distressed company may lose some or all of its interest in the company as the result of a reorganization or liquidation proceeding involving the company.

***Illiquid Investments.*** Illiquid securities for which no liquid market exists, including securities of both private and public companies, are volatile, difficult to value and to sell at fair value. In addition, such investments may be subject to legal or other restrictions on transfer. Securities that are not listed on a stock exchange or traded on an over-the-counter market tend to be less liquid than publicly traded securities.

***Non-U.S. Investments.*** Investments in issuers of securities located outside of the United States or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks including, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility, higher transaction costs (including the cost of converting currency) and market manipulation. In addition, less information may be available regarding non-U.S. issuers, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those applicable to U.S. Companies. Further, securities markets located outside of the United States may not be as liquid as U.S. markets. There is generally less government supervision and regulation of exchanges, brokers and issuers in non-U.S. markets than in the United States. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, have failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the performance of a client's portfolio. Particularly in developing countries, laws governing transactions in securities, securities indices and other contractual relationships are new and largely untested. As a result, these investments may entail unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs and lack of enforcement of legal regulations or judgments.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Solstein Capital, the Principals and the Firm's other Investment Adviser Representatives ("IARs") do not have any disciplinary events to report.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### ***Material Relationships and Arrangements***

The Principals serve as Managing Members of the General Partner of the Partnership, which is majority owned and controlled by the Principals. The General Partner has control and legal responsibility for the management of the affairs of the Partnership but has delegated responsibility for the management of the Partnership's investments to Solstein Capital, which is wholly-owned and controlled by the Principals and is exclusively devoted to managing the business and affairs of the Partnership, the General Partner and affiliated clients of the Firm such as the Limited Partners. These relationships may create the potential for certain conflicts of interest to arise, which are discussed at Items 6 and 11 of this brochure.

Solstein Capital is a majority owner of Longbow Trade Signals, LLC ("Longbow"), and investment advisor that provides trading research through a web-based subscription. Solstein Capital may utilize the trading research provided by Longbow for its own client accounts.

The Firm does not believe that these relationships or arrangements create a material conflict of interest with its clients.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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

Solstein Capital has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 of the Investment Advisers Act, which, makes it unlawful for the Firm and its Supervised Persons (defined below) to engage in any act, practice or course of business that is fraudulent, deceptive or manipulative, and require the Firm and its Supervised Persons to conduct their investment management activities in keeping with equitable and ethical principles. The Firm will provide a copy of the Code to any client or prospective client upon request.

The Code reflects Solstein Capital's fiduciary obligations and the Firm's commitment to ethical conduct based on fairness and integrity. It requires all officers, directors, employees and consultants of the Firm (each a "Supervised Person") to exercise the highest degree of professional business ethics in all actions they undertake on behalf of the Firm and its clients. Furthermore, Supervised Persons must avoid actions that, while

they may not actually involve a conflict of interest or indicate abuse of a client's trust, may have the appearance of impropriety.

The Code covers the following topics, among others: standards of fair and honest conduct, including procedures for reporting violations of the Code; appropriate and inappropriate uses of confidential information; restrictions on personal securities trading and the acceptance of gifts by Supervised Persons; a prohibition on insider trading; and policies on Supervised Persons' outside business activities and communications.

All Supervised Persons must acknowledge the terms of the Code and their adherence to the Code annually, or upon amendment of the Code.

#### ***B. Principal Transactions***

Solstein Capital has adopted policies and procedures that generally prohibit the Firm from buying securities from, or selling securities to, the account of a client (or recommending such purchase or sale), for the benefit of a proprietary account of the Firm. The Firm does not currently, but in rare instances in the future, may effectuate such a principal transaction if, and only if, the Chief Compliance Officer has approved the transaction and the Firm has received client consent prior to the settlement of the transaction. The client notice and request of consent must indicate the current quoted market price of the subject security or its fair value price.

Principal transactions between a proprietary account of Solstein Capital and the Partnership (and any other fund the Firm may manage) are not permitted at any time. Although consent to such a transaction could theoretically be obtained from the General Partner, it is the judgment of the Firm that the associated potential conflict would result in an appearance of impropriety. Additionally, it is against the Firm's policies and procedures for Solstein Capital to engage in trading with the General Partner or any other affiliate of the Firm.

#### ***C. Proprietary and Personal Securities Trading***

Solstein Capital does not currently have any proprietary accounts that trade in the same securities bought and sold on behalf of clients. The Firm maintains all of its funds in a high yield bank account.

As a matter of policy, Supervised Persons of Solstein Capital are prohibited from buying or selling for their personal accounts securities that are the same as those bought and sold on behalf of the Firm's clients with the exception of mutual funds and ETFs. Supervised Persons who hold no equity in the firm are permitted to trade single name securities and options provided that the transaction is pre-cleared by the Firm's Chief Investment Officer or a designee.

The Code requires Supervised Persons to at all times place the interests of the Firm's clients before their own interests and/or the interests of the Firm. Accordingly, pre-clearance may not be granted to a Supervised Person's personal trading for any reason, including, but not limited to the following factors: (i) the trade represents an investment opportunity that

should be offered to the Firm's clients prior to personal trading in the opportunity by Supervised Persons; (ii) the trade involves a security that is being purchased or sold, or being considered for purchase or sale, by the Firm on behalf of its clients; (iii) the trade would create the appearance of impropriety; and/or (iv) the trade is prohibited by law or otherwise inconsistent with the Code or other internal policies of the Firm.

## ITEM 12 – BROKERAGE PRACTICES

### A. *Broker Selection Criteria*

#### **The Partnership**

BTIG, LLC (the “Prime Broker”) currently acts as the prime broker for the Partnership and may receive substantial brokerage commissions and/or margin interest related to the securities transactions of the Partnership. Solstein Capital selected the Prime Broker on the basis of the services the Prime Broker provides for the size of the Partnership, expertise in foreign exchanges, support services, third party reports and statements, and access to online trading that assist the Firm in better managing and monitoring client assets. The Firm is not committed to continue its relationship with the Prime Broker for any minimum period, and may enter into brokerage relationships with other brokers. Solstein does not pay for all the services received from the Prime Broker.

#### **Separately Managed Accounts**

Separately managed accounts are under no obligation to use the Prime Broker as discussed above and Solstein has no brokerage requirements for separately managed accounts. SMAs can choose their own custodian or give Solstein the authority to designate a custodian. SMA clients may direct Solstein to effect transactions with specific brokers (“directed brokerage”), however Solstein will not negotiate commissions charged by such brokers and these brokers may charge commissions in excess of that which another broker might have charged for effecting the same transaction. SMAs with directed brokerage instructions are often excluded from aggregated trades, and generally are not able to take advantage of volume discounts. As a result, performance for these accounts may vary from accounts that do not have directed brokerage instructions, and these accounts may not be able to obtain best execution.

#### **Best Execution**

In seeking best execution for transactions made for the benefit of clients, the determinative factor for the Firm is not always the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker’s services, including but not limited to; the value of research (and/or other products and services) provided, execution capability, commission rates and responsiveness. The Firm is under no duty to obtain the lowest commission or best net price for its clients on any particular transaction, but has adopted policies and procedures designed to ensure that it seeks to obtain best execution for all client transactions. The Firm reviews best execution periodically to evaluate and prioritize the best execution factors, to assess brokers’ performance and to determine broker selection and commission targets for each.

#### **1. *Research and Other Soft Dollar Benefits***

Currently, Solstein does not have any soft dollar arrangements.

#### **2. *Brokerage for Client Referrals***

Solstein Capital may receive client referrals from brokerage firms, including the Prime Broker, that provide capital introduction services to their various brokerage clients. Such client referrals may give the Firm an incentive to select the Prime Broker for a given client transaction based on the Firm's interest in receiving client referrals, rather than on the Firm's ability to obtain best execution for the transaction. In order to mitigate this potential conflict of interest, it is the Firm's policy to not compensate brokers that execute transactions, including the Prime Broker, for any client referrals. In addition, the Firm intends to use the Prime Broker for the majority of its trading activities, regardless of the quantity or quality of client referrals.

In order to obtain best execution, the Firm will purchase securities from a broker other than its Prime Broker as necessary and in keeping with the investment objectives of Clients.

### **3. *Directed Brokerage***

A client may request that the Firm direct that client's transactions to a particular broker or brokers and/or not negotiate commission rates with such brokers, although the Firm is under no obligation to oblige such requests. Clients must make brokerage requests to the Firm in writing prior to the Firm's acceptance of the client's account. Choosing to select his or her own broker(s) may cost a client money; the client may pay a higher brokerage commission for a given transaction because the Firm may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

### **B. *Trade Rotation and Aggregation of Assets***

Client orders are normally filled in the order in which they are entered, based on account requirements and order size. There is not a rigid formula that always leads to a fair and reasonable result. There is a degree of flexibility to allow Solstein the ability to adjust to specific circumstances if necessary. Solstein will make every reasonable effort to avoid favoritism amongst clients; trades placed will be fair and reasonable and based upon each clients specific investment objectives and trade policies.

In the event a security is appropriate for multiple accounts, we may aggregate the trade when possible, in which case each client in the block receives the same average price, so that all accounts participating in the transaction receive the best execution under the circumstances and no client is intentionally favored over another. When an aggregated order is filled in its entirety, the Firm will allocate the order to participating client accounts in a fair and equitable manner. All aggregated orders are generally allocated prior to trade execution. If an aggregated order is only partially filled (and there is no reasonable expectation that the entire transaction will be completed within a reasonable period), the Firm will generally allocate the order to participating clients on a pro rata basis. Order executions involving only a small number of shares may be allocated to one or more participating accounts based on the judgment and discretion of the Chief Investment Officer, in order to achieve equitable distribution over time. Where client accounts have competing interests in a limited investment opportunity, the Firm will allocate investment opportunities based on a number of considerations, including cash availability and/or liquidity requirements, the time competing accounts have had funds available for investment or have had securities available for sale, investment objectives and

restrictions, an account's participation in other opportunities, tax considerations and relative size of portfolio holdings of the same or comparable securities.

When a client requests that a particular broker or brokers be used for his or her portfolio transactions, the Firm may be unable to aggregate the client's trades with those of other clients, which may result in the client's trades being executed at prices different from, and possibly not as favorable as, trades that are aggregated.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The Firm performs portfolio, individual security and account reviews on an ongoing basis for its Clients. The Chief Investment Officer conducts the reviews. Individual security and portfolio reviews occur at least weekly. Account reviews occur at least quarterly. Additional reviews are conducted periodically depending on market conditions, economic or political events, or changes in a client's financial situation.

Clients are encouraged to comprehensively review financial statements and account performance with the Firm on an annual basis, in person or by phone. Limited Partners receive account statements from the Firm's fund administrator on a quarterly basis. Separately managed accounts receive account statements from the third-party custodian on a quarterly basis.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Solstein Capital does not have any solicitor arrangements with third parties.

### **ITEM 15 – CUSTODY**

Solstein does not have physical custody. However, in either its capacity or that of related party as general partner to the Partnership, Solstein is considered to have custody and uses Opus Fund Services as the administrator. The Partnership is audited annually by a PCAOB registered independent accounting firm and the audited statements are provided to each investor of the Partnership within 120 days following the Partnership's fiscal year-end.

### **ITEM 16 – INVESTMENT DISCRETION**

The Firm intends for its investment management services to be discretionary in nature for all Clients. The Firm's discretionary authority will be obtained with respect to each Client when the Client enters into an investment management agreement with the Firm, the terms of which specifically allow the Firm to (i) buy and sell securities for the Client's portfolio and (ii) place such trades without the Client's prior knowledge or approval. In all cases the Firm will exercise its discretionary authority in a manner consistent with the stated investment philosophy of the Firm and any other investment policies, limitations or restrictions, including those client restrictions discussed in this brochure.

All discretionary investment management decisions for the Firm's Clients will be made by



the Principals. Accordingly, no investor should invest with the Firm unless such investor is willing to entrust all aspects of the management of its assets to the Firm and the Principals, who will have considerable discretion in the allocation of the investor's assets among various investments.

## **ITEM 17 – VOTING CLIENT SECURITIES**

Solstein generally accepts responsibility for voting proxies. Each Client's investment management agreement should specify whether Solstein is to vote proxies relating to securities held for the Client's account. If the agreement is silent as to the proxy voting and no instructions from the client are on file, Solstein will assume responsibility for proxy voting. Solstein will vote in the clients best interest seeking to maximize investment value – defined as share price and dividend appreciation.

Clients may elect, in writing, to have retain proxy voting authority. In the event they do, the client must direct their custodian to deliver the proxies directly to them. Clients may contact Solstein if that have any questions regarding a particular proxy solicitation.

In the event of a potential conflict, Solstein may either refrain from voting, request the client to vote, or obtain recommendations from an independent third party. Clients may request a copy of the Firm's proxy voting policies and procedures and/or records on how securities were voted upon.

## **ITEM 18 – FINANCIAL INFORMATION**

Solstein Capital does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, the Firm is not required to provide a balance sheet for its most recent fiscal year end. The Firm is not aware of any financial commitment that would impair its ability to meet its contractual obligations to clients, and has never been the subject of a bankruptcy proceeding.



**NADINE TERMAN**

**FIRM BROCHURE SUPPLEMENT**

**July 2021**

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Fax (415) 231-3001  
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This brochure supplement represents Part 2B of Form ADV. It provides information about Nadine Terman that supplements the Solstein Capital, LLC brochure. You should have received a copy of that brochure. Please contact us at (415) 231-3000 or [admin@solsteincapital.com](mailto:admin@solsteincapital.com) if you did not receive Solstein Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Nadine Terman also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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.

## **ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Name:** Nadine Terman

**Date of Birth:** 1972

**Formal Education:** B.A. in Quantitative Economics from Stanford University, with Honors, and with Distinction, 1994

M.B.A. from Stanford Graduate School of Business, Arjay Miller scholar, 2001

**Business Background:** Blum Capital Partners, L.P. (2001-2010)  
Investment Partner (2006-2010)  
Vice President (2001-2005)

Behrman Capital (1996-1999)  
Associate

## **ITEM 3 – DISCIPLINARY INFORMATION**

Ms. Terman has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Ms. Terman.

## **ITEM 4 – OTHER BUSINESS ACTIVITIES**

### ***A. Investment-Related***

Currently, Ms. Terman is not actively engaged in any investment-related business or occupation outside of Solstein Capital, LLC ("Solstein Capital" or the "Firm") and Solstein GP, LLC. Solstein Capital, in which Ms. Terman is majority owner, is a majority owner of Longbow Trade Signals, LLC ("Longbow"), and investment advisor that provides trading research through a web-based subscription. Solstein Capital may utilize the trading research provided by Longbow for its own client accounts.

### ***B. Non-Investment Related***

Currently, Ms. Terman is a paid contributor for CNBC. She appears regularly as a guest host to offer expert insight and analysis of economic and market events.

## **ITEM 5 – ADDITIONAL COMPENSATION**

Ms. Terman receives compensation for her contribution to CNBC as well as share of the profits earned in the ownership of Longbow.

## **ITEM 6 – SUPERVISION**

Ms. Terman and Mr. Juan Carlos Torres are both Managing Members of the Firm. They monitor each other's investment management performance through weekly team meetings and annual performance reviews. Mr. Torres can be reached at (415) 231-3007 or [jct@solsteincapital.com](mailto:jct@solsteincapital.com).



**JUAN CARLOS TORRES**

**FIRM BROCHURE SUPPLEMENT**

**July 2021**

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This brochure supplement represents Part 2B of Form ADV. It provides information about Juan Carlos that supplements the Solstein Capital, LLC brochure. You should have received a copy of that brochure. Please contact us at (415) 231-3000 or [admin@solsteincapital.com](mailto:admin@solsteincapital.com) if you did not receive Solstein Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Juan Carlos Torres also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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.

## **ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Name:** Juan Carlos Torres

**Date of Birth:** 1974

**Formal Education:** B.A. in Philosophy and B.A. in Business Administration from University of Washington, 1997

M.B.A. from Stanford Graduate School of Business, 2005

**Business Background:** Blum Capital Partners, L.P. (2005-2010)  
Vice President

Triton Global Capital, LLC (1999 – 2003)  
Founder, Chief Investment Officer

## **ITEM 3 – DISCIPLINARY INFORMATION**

Mr. Torres has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Mr. Torres.

## **ITEM 4 – OTHER BUSINESS ACTIVITIES**

### ***A. Investment-Related***

Currently, Mr. Torres is not actively engaged in any investment-related business or occupation outside of Solstein Capital, LLC ("Solstein Capital" or the "Firm") and Solstein GP, LLC. Solstein Capital, in which Mr. Torres is majority owner, is a majority owner of Longbow Trade Signals, LLC ("Longbow"), and investment advisor that provides trading research through a web-based subscription. Solstein Capital may utilize the trading research provided by Longbow for its own client accounts.

### ***B. Non-Investment Related***

Currently, Mr. Torres is not actively engaged in any non-investment related business.

## **ITEM 5 – ADDITIONAL COMPENSATION**

Mr. Torres does receive compensation for the share of the profits earned in the ownership of Longbow.

## **ITEM 6 – SUPERVISION**

Mr. Torres and Ms. Nadine Terman are both Managing Members of the Firm. They monitor each other's investment management performance through weekly team meetings and annual performance reviews. Ms. Terman can be reached at (415) 231-3002 or [nterman@solsteincapital.com](mailto:nterman@solsteincapital.com).