

Item 1 – COVER PAGE

TORSHEN

CAPITAL MANAGEMENT, LLC

ADV Part 2A – Firm Brochure

FIRM NAME: TORSHEN CAPITAL MANAGEMENT, LLC
("Torshen Capital")
A Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Torshen Capital Management. If you have any questions about the contents of this brochure, please contact us at 312-274-0200 or info@torshencapital.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 Torshen Capital Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Torshen Capital Management is a registered investment adviser, however, registration does not imply a certain level of skill or training.

This firm brochure is dated March 31, 2022.

Item 2 – MATERIAL CHANGES

Since the previous update, dated March 30, 2021, there have been no material changes to Torshen Capital Management's business.

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Item 4 – ADVISORY BUSINESS

Torshen Capital Management LLC (“Torshen Capital” or the “Firm”), an investment adviser with its principal place of business in Chicago, Illinois, was established in August 1998. Kay Torshen is the 100% owner, founder, Chief Executive Officer, Chief Compliance Officer, and Managing Member of the Firm. There has been no change in ownership since the Firm’s inception.

Torshen Capital currently provides investment management services to individuals, high net worth individuals and trusts, each of which is beneficially owned by the principals or employees of the Firm or their respective family members (the “Affiliated Accounts”). Torshen Capital expects to provide investment advisory services on a discretionary basis to family offices, high net worth individuals and their families, foundations, endowments, institutional investors and other investors, through separately-managed accounts (the “Accounts” and together with the Affiliated Accounts, the “Clients”).

Although Torshen Capital invests the Affiliated Accounts in real estate, stocks, pooled investment vehicles managed by other investment advisers and a portion of the assets pursuant to the “Option Strategy,” Torshen Capital will invest the Accounts only pursuant to the “Option Strategy.” The Option Strategy is designed to generate risk-adjusted returns by using a proprietary strategy developed by Torshen Capital. The Option Strategy is currently limited to making investments only in long options and option spreads traded on the Chicago Board Options Exchange. Please see Item 8. Methods of Analysis, Investment Strategies and Risk of Loss for additional information on the Option Strategy.

Torshen Capital expects to manage the Accounts by providing advice on investing in options in accordance with its Options Strategy. The Client opening the Account will retain custody of the Account and its underlying collateral. The Client will select the custodian and the broker.

Torshen Capital will advise the Client’s broker to execute option trades in the Account in accordance with the separately managed account agreement between Torshen Capital and the Client (“Agreement”). Although Torshen Capital makes other investments on behalf of the Affiliated Accounts, Torshen Capital will not provide advice on other investments or otherwise tailor its advisory services for the Accounts or allow Clients opening an Account to impose restrictions on investing in certain securities or types of securities.

Torshen Capital does not participate in wrap fee programs.

As of 12/31/2021 Torshen Capital had approximately \$32 million in Client assets under management, all of it discretionary.

Item 5 – FEES AND COMPENSATION

Management Fees

Torshen Capital expects to receive a management fee from each Account payable quarterly in advance at an annual rate of 2% of the market value of the assets in such Account and collateralized securities as valued by the custodian selected by Client of the Account, which management fee will be calculated as of the last business day of the immediately preceding calendar quarter. The management fee will be prorated based on the number of calendar days in any partial quarter, such as the partial calendar quarter in which the relevant Agreement is terminated. Torshen Capital will refund any portion of the management fee attributable to the calendar days on which it did not manage the Client's capital. The management fee will be billed to each Account by Torshen Capital on a quarterly basis.

Torshen Capital does not charge a management fee to any Affiliated Accounts.

Fees and Expenses

Client shall be solely responsible for all commissions and other transaction charges, and any charge relating to the custody of securities in the Account. The Management Fee covers only the investment management services provided by the Firm and does not include brokerage commissions, mark-ups and mark-downs, data feeds, accounting, legal, dealer spreads or other costs associated with the purchase and sale of securities, custodian fees, interest, withholding and transfer taxes or any other taxes, or other Account expenses. Clients shall be solely responsible for these expenses. Please see Item 12. Brokerage Practices for additional information relating to brokerage practices and commissions. The Firm will invoice the custodian of a Client directly for such expenses, and the Client will be responsible for instructing the custodian to pay such expenses from the Account or the Client may elect to pay such additional expenses directly.

Torshen Capital may agree to charge a reduced, alternative or modified fee for large asset size accounts.

Neither Torshen Capital nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither Torshen Capital nor any of its supervised persons charges performance-based fees for their investment management services.

Item 7 – TYPES OF CLIENTS

Torshen Capital currently provides investment management services with respect to individuals, high net worth individuals and trusts, each of which is beneficially owned by the principals or employees of the Firm or their respective familymembers.

Torshen Capital expects to manage the accounts of family offices, high net worth individuals and their families, foundations, endowments, institutional investors and other investors pursuant to the Option Strategy. Each Client must invest a minimum of \$1,000,000 (in cash or collateral of comparable value) unless otherwise agreed to by TorshenCapital.

Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Although Torshen Capital invests the Affiliated Accounts in real estate, stocks, pooled investment vehicles managed by other investment advisers and a portion of the assets pursuant to the “Option Strategy,” Torshen Capital will invest the Accounts only pursuant to the “Option Strategy.”

Methods of Analysis

Torshen Capital conducts extensive analysis in developing, updating, and maintaining its Option Strategy. This analysis involves the use of a proprietary database with approximately 90,000,000 end-of-day and intra-day security and index records from over a twenty-year period. Personnel of Torshen Capital use proprietary analytics to calculate projected risk-adjusted returns by identifying option spreads with probabilities likely to generate risk-adjusted returns.

Investment Strategy

The Option Strategy is designed to generate risk-adjusted returns by using a proprietary strategy developed by Torshen Capital. Each Client opens an account with a third party custodian, selected by such Client, to take possession of the collateral for an existing portfolio of securities or cash of such Client (an “Underlying Portfolio”). Torshen Capital then uses the margin of the Underlying Portfolio to purchase long options or sell short option spreads traded on the Chicago Board

Options Exchange. Proprietary methods are used to select the option spreads. The options tend to have a duration of eight weeks or less until expiration. Although the current version of the Option Strategy only invests in S&P 500 index options traded on the Chicago Board Options Exchange, Torshen Capital may invest in other exchange traded derivatives in the future or hold such options for longer periods of time, at which time the Firm will amend this brochure.

Risk of Loss

All investments risk the loss of capital. There is no guarantee that Torshen Capital's Option Strategy will be successful, and investment results may vary substantially over time. Prospective Clients should be prepared to bear the loss of the entire amount of their investment and give careful consideration to the following risk factors in evaluating the merits and suitability of the Option Strategy.

Options

Investment in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of (i) a decline in the value of the underlying asset relative to the strike price, (ii) the passage of time, (iii) changes in the market's perception as to the future price behavior of the underlying asset or (iv) any combination thereof. With respect to the purchase of an option, the risk of loss of an investor's entire investment in the option (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (sold) uncovered, the seller may be liable to pay substantial additional margin and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the then-current market value.

Derivatives

The value of a derivative depends largely upon price movements in an underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose Clients to the possibility of a loss exceeding the original amount invested.

In addition, derivative contracts may expose Clients to the credit risk of the parties with which it deals. Non-performance of such contracts by counterparties, for financial or other reasons, could expose the Clients to losses, whether or not the transaction itself was profitable.

Derivatives may also expose Clients to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

Furthermore, participants in the other derivative markets are generally not required to make continuous markets in the derivatives instruments in which they trade. Participants could also refuse to quote prices for derivatives contracts or could quote prices with an unusually wide spread.

Short Selling

A short sale involves the sale of a security that a Client does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. To make delivery to the buyer, Torshen Capital (on behalf of the Client) must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security by Torshen Capital. When the Firm makes a short sale on behalf of a Client in the United States, it must leave the proceeds thereof with the broker-dealer and must also ensure that the Client's account with the broker-dealer has an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are affected on a non-U.S. exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. In addition, a short sale involves the risk that borrowed securities will have to be returned to the lender at a time when such securities cannot be borrowed from other sources, potentially requiring Torshen Capital to close a short sale transaction on behalf of a Client at an inopportune time or under disadvantageous circumstances. Unless otherwise agreed in an Agreement, Torshen Capital has no policy limiting the amount of a Client's capital it may deposit to collateralize an obligation to replace borrowed securities sold short.

Risk-Reducing Orders or Strategies

The placing of certain orders (e.g. 'stop-loss' orders, where permitted under local law, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as 'spread' and 'straddle' positions, may be as risky as taking simple 'long' or 'short' positions.

Leverage

Torshen Capital may maximize the investment position of a Client by purchasing securities on margin. As a result, the possibilities of profit and loss will be increased. Borrowing money to purchase securities will provide the Client with advantages of leverage, but exposes it to capital risk, interest rate risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the

amount borrowed would cause the Client's net profit to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Client's net loss to increase faster than would otherwise be the case.

Volatility of Prices

The prices of securities and other financial instruments may be volatile. Market movements are difficult to predict and are influenced by, among other things: governmental trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; epidemics, pandemics or other regional or global health crises; changes in interest rates; and the inherent volatility of markets. In addition, governments intervene from time to time, either directly and by regulation in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant in the financial instrument and currency markets, and such intervention (as well as other factors) may cause such markets to move rapidly.

Item 9 – DISCIPLINARY INFORMATION

Neither the Firm, nor any of its directors, officers or principals has been involved in any investment-related criminal or civil action in a domestic, foreign or military court that would be material to an evaluation of Torshen Capital's advisory business or the integrity of its management.

Neither the Firm, nor any of its directors, officers or principals has been involved in any administrative proceeding before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority that would be material to an evaluation of Torshen Capital's advisory business or the integrity of its management.

Neither the Firm, nor any of its directors, officers or principals has been involved in any self-regulatory organization proceeding that would be material to an evaluation of Torshen Capital's advisory business or the integrity of its management.

Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither the Firm, nor any of its directors, officers or principals is registered as or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer, or a futures commission merchant, a commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing.

Although Torshen Capital invests a portion of the assets of its Affiliated Accounts in pooled investment vehicles managed by other investment advisers, it does not receive any compensation specifically for allocating such assets to these advisers, and Torshen Capital does not recommend or select other investment advisers for the Accounts of its unaffiliated Clients.

While the Firm may manage investments on behalf of a number of Clients, investment decisions and allocations will not necessarily be made in parallel among all such Clients. Certain Clients, including Affiliated Accounts, are expected to make investments and utilize investment strategies that may not be made or utilized by the Firm on behalf of all (or any) of its other Clients. In particular, as noted above, the Affiliated Accounts are expected to make real estate, stock, and/or pooled investment vehicle investments that will not be made on behalf of the other Accounts. Accordingly, any Client may experience results that are materially different from those experienced by another Client, and the records of any investment management activities that the Firm may engage in on behalf of other Clients will not be available to any such Client.

Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Torshen Capital has adopted a Code of Ethics (“Code”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, that is applicable to supervised persons. The Code and other written policies set forth in the Firm’s Code of Ethics and Compliance Manual require supervised persons to exercise their authority and responsibility for the benefit of Clients and to refrain from activities that may conflict with the interests of Clients, including, among other things, policies and procedures that do the following:

- Prohibit trading on the basis of material nonpublic information;
- Prohibit supervised persons from taking personal advantage of opportunities belonging to Clients;
- Place limitations on personal trading and impose reporting obligations with respect to such trading;
- Prohibit supervised persons from participating in initial public offerings;
- Impose limitations on the giving or receiving of gifts and entertainment;
- Place limitations on political contributions by certain employees and impose reporting

- obligations with respect to such contributions pursuant to “pay to play” rules; and
- Restrict certain outside business activities.

The Chief Compliance Officer monitors compliance with these and all other aspects of the Code and related firm policies. The Firm will provide a copy of the Code to any Client or prospective Client upon request.

Torshen Capital or its related persons may, at or about the same time, invest in the same securities that it or a related person has bought or sold on behalf of an Account. This practice may create a conflict of interest if the Firm or its related persons receive more favorable execution prices than the Accounts of Clients because the trades of the Firm or its related persons could negatively impact the market prices of target securities paid or received by the Accounts of Client in their transactions for securities. In order to mitigate any such conflicts of interest, the Firm either (i) attempts to aggregate purchases and sales of the same securities, to the extent that the Firm and its related persons are using the same broker as the relevant Client(s) and such trade is able to be aggregated by the relevant broker, in which case the Firm will apply the average price to all accounts, or (ii) uses trade rotation procedures to vary the order in which the Firm executes trades on behalf of Clients, the Firm and its related persons, or some combination of the two approaches in clauses (i) and (ii).

Item 12 – BROKERAGE PRACTICES

Clients must direct the Firm to execute transactions for their Accounts through a Client-chosen broker (a “Directed Broker”), and the Firm agrees to use such Directed Broker(s). In selecting a Directed Broker, the Client has the sole responsibility for negotiating commission rates and other transaction costs with the Directed Broker. By instructing the Firm to execute all transactions on behalf of the Account through the Directed Broker, a disparity may exist between the commissions borne by one Client’s Account and the commissions borne by other Client Accounts that do not use the same Directed Broker(s). Clients also understand that by instructing the Firm to execute all transactions on behalf of the Account through the Directed Broker, the Client may not necessarily obtain commission rates or execution on as favorable terms as those that would be obtained if the Firm were able to place transactions with the broker-dealers that the Firm chooses, which practice may increase the cost to Clients. Not all investment advisers require their Clients to direct them to use a certain broker or brokers. As a result of this directed brokerage set-up, Torshen Capital does not expect to receive “soft dollar” benefits.

Client accounts may hold cash or cash equivalents, including obligations of the U.S. government, its agencies or instrumentalities, commercial paper.

As described above, to the extent that Clients choose the same Directed Broker and such broker is able, Torshen Capital will attempt to aggregate orders and apply the average price of the entire

order to each Account and Affiliated Account. However, by nature of using directed brokerage, the Firm will likely be limited in its opportunities to aggregate the purchase and sale of securities.

Item 13 – REVIEW OF ACCOUNTS

Torshen Capital monitors all Client accounts as able and practicable throughout the trading day. Option positions are initiated and closed according to the program employed by the Option Strategy. The strategy includes specific risk monitoring and mitigation processes based on likely probabilities of profit and loss. Torshen Capital conducts ongoing research with the object of continually improving the strategy. Clients will receive quarterly written reports from Torshen Capital regarding the status of their Accounts.

Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Torshen Capital does not, nor do any principals or employees of the Firm, receive any economic benefit from non-Clients for providing advisory services to its Clients.

Torshen Capital does not currently, but may in the future, engage solicitors to assist in introducing it to potential Clients. A solicitor will generally be paid for the introduction out of the fees the Firm receives from the Client.

Item 15 – CUSTODY

Although Torshen Capital is deemed to have custody of the Affiliated Accounts, it does not satisfy the independent verification and account statement requirements of Section 206(4) of, and Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, in reliance on the position expressed in 16th Amendment Advisors, LLC, SEC No-Action Letter regarding Investment Advisers Act of 1940 – Section 206(4), publicly available as of March 23, 2015 because all of the Affiliated Accounts are held by “control persons” in Schedule A of the Part 1A of this Form ADV or are owned by their family members.

Because of the structure of each Account and the use of a Client-chosen custodian, Torshen Capital is not deemed to have custody of Client assets under the Investment Advisers Act of 1940, as amended.

Item 16 – INVESTMENT DISCRETION

Pursuant to a power-of-attorney executed by each Client in such Client’s Agreement, Torshen Capital has full discretionary authority over the management of option accounts on behalf of Clients. However, Torshen Capital has no discretionary authority to buy or sell securities in the

portion of the account that serves as collateral for the options account.

Item 17 – VOTING CLIENT SECURITIES

Torshen Capital has a policy of not voting company proxies for either the Affiliated accounts or the option accounts.

Item 18 – FINANCIAL INFORMATION

Torshen Capital does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Torshen Capital is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients and has not been the subject of a bankruptcy petition during the past ten years.