

**Item 1 – Cover Page**

**Part 2A of Form ADV Brochure for:**



**PILGRIM GLOBAL ADVISORS LLC**

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**September 12, 2022**

This Brochure provides information about the qualifications and business practices of Pilgrim Global Advisors LLC (“PGA LLC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. 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.

PGA LLC is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.

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

**Item 2 – Material Changes**

This Brochure was prepared for PGA LLC's initial registration with the SEC.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

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## **Item 4 – Advisory Business**

A. Description of the Advisory Firm

Pilgrim Global Advisors LLC (“PGA LLC” or the “Firm”), a Delaware limited liability company, was formed in July 2022 to become the Alternative Investment Fund Manager (“AIFM”) of Pilgrim Global ICAV, an Irish collective asset management vehicle registered with the Central Bank of Ireland (the “Fund”). The Firm is owned by Pilgrim Global Advisors Corporation and the Firm’s management persons are Darren Maupin and Procter Hug IV.

B. Types of Advisory Services

After obtaining all necessary regulatory and legal approvals, PGA LLC will be appointed to serve as the non-EU AIFM to the Fund pursuant to the Fund’s Prospectus and subscription documents (the “Fund Constituent Documents”). The Firm’s investment program for the Fund focuses on identifying opportunities following market dislocations that present mis-pricings due to human, institutional, and/or technical factors. Investment opportunities are evaluated by comparing prices to conservative estimates of underlying intrinsic business value rather than attempting to forecast stock price movements over the short and medium-term. The Fund seeks to invest in deeply undervalued businesses with a large margin of safety, high, asymmetric return potential, and minimal medium-term risks to the business from factors such as technological obsolescence or increased competition. Patience, a long investment time horizon, and a focus on the people involved are additional important aspects of the investment philosophy. For the purposes of the Fund’s investment program the Firm defines “risk” as the probability of permanent impairments of intrinsic value of the underlying companies in the portfolio.

The Fund offers shares (“Interests” or “Shares”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors” or “Shareholders”).

C. Client Tailored Services and Client Imposed Restrictions

After receiving all necessary regulatory and legal approvals to manage the Fund, PGA LLC will have the authority to select which and how many securities and other instruments the Fund will buy or sell without consultation with the Fund Investors.

D. Wrap Fee Programs

PGA LLC does not participate in wrap fee programs.

E. Amounts Under Management

As of September 12, 2022, PGA LLC has approximately \$0 of assets under management on a discretionary basis and \$0 on a non-discretionary basis. PGA LLC has a reasonable expectation that it will be appointed the Fund’s AIFM, and thus eligible to register with the SEC, within 120 days after the effective date of PGA LLC’s registration with the SEC. The Fund’s current assets under management are approximately \$300 million.

## **Item 5 – Fees and Compensation**

### **A. Fee Schedule**

#### **1. Management Fee**

With respect to the Fund, once PGA LLC is appointed AIFM of the Fund, the Firm will receive a quarterly, fixed, asset-based management fee (the “Management Fee”), initially calculated as a percentage of each Investor’s capital account, payable quarterly in advance. The quarterly Management Fee will be based on a Board-approved quarterly budget and any differences in the actual and budgeted expenses will be adjusted for in the following quarters’ Management Fees.

The Fund’s Prospectus currently provides that the Firm “shall charge such fees and expenses to the Fund in advance by way of a fixed amount of up to 0.25% of the Net Asset Value of the Fund per quarter, plus VAT if any, by way of an estimate of the Services Provider’s fees and expenses during this period and the Firm’s other out-of-pocket expenses during such period, which shall be calculated and accrued at each Valuation Point and paid quarterly in advance.” In connection with the appointment of PGA LLC as the Fund’s AIFM, the Fund’s Prospectus will be amended to provide that the Management Fee described above will be paid to PGA LLC. In addition, the Fund’s Prospectus currently provides that the AIFM is an entitled to a fee equal to .08% of the Net Asset Value of the ICAV per annum; however, in connection with the appointment of PGA LLC as the Fund’s AIFM, the Fund’s Prospectus will be amended to delete this additional .08% AIFM fee and such fee will be encompassed within the Management Fee. PGA LLC will use any Management Fees from the Fund to discharge PGA LLC’s fees and expenses. In the event that the amount charged by PGA LLC exceeds the actual fees and expenses, PGA LLC shall reimburse such amounts to the Fund by adjusting the fee of the subsequent quarters.

In certain cases, and subject to applicable laws, a client or investor may negotiate a fee rate that is higher or lower than the amounts in the preceding paragraphs, depending in whole or in part on the amount of assets to be managed, the amount and complexity of client-specific investment restrictions, special reporting, and other services agreed to with the client or investor, and whether the client or investor would be paying a management fee, performance-based compensation, or both.

#### **2. Performance-based Allocation**

From the Fund, PGA LLC does not receive any performance-based compensation. The Fund’s Prospectus does provide that Pilgrim Global Advisors Corporation (the parent company to PGA LLC) is entitled to performance-based compensation. Specifically, the Fund allocates to Pilgrim Global Advisors Corporation 20 per cent of the annual appreciation (accrued quarterly), if any, in the net asset value per share of each series of Fund shares (the “Performance Allocation”) as of the last business day of each calendar year. The Performance Allocation will also be made upon a redemption by an investor during the calendar year of Shares subject to a Performance Allocation. The imposition of the Performance Allocation is subject to a high watermark (requiring a recoupment of prior period losses) (the “High Watermark”) and an annualized five percent hurdle rate (calculated from the initial issue price of the relevant share series (the “Hurdle”), and will only be imposed if the share price of the relevant series is above the higher of the High Watermark and the Hurdle.

The Performance Allocation will only be charged to accounts of those Investors who are “qualified clients” as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended (“Advisers Act”).

3. Other Fees

In addition to the Management Fee and Performance Allocation, the Fund will also generally bear all expenses incurred in connection with their respective investment activities to the extent such expenses are not already paid by the Management Fee and certain other expenses. Such other expenses include, but are not limited to, administrator fees; depositary fees; legal, accounting and audit fees and expenses; governmental fees and taxes; bookkeeping and other professional fees; directors' fees; registration fees; costs of Investor meetings and other communications with Investors; and all other reasonable costs related to the management and operation of the Fund.

B. Payment of Fees

As noted above, upon the Firm's appointment as the Fund's AIFM, Management Fees will be deducted from Fund assets, while the Performance Allocation is taken by Pilgrim Global Advisors Corporation by means of an increase in Pilgrim Global Advisors Corporation's shares in the Fund. Management Fees, which are payable quarterly in advance, will be withdrawn at the beginning of the quarter. The Performance Allocation is accrued quarterly and determined as of the last business day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account.

C. Third-Party Fees

The Management Fee, as stated above, is based on actual expenses incurred. PGA LLC has the discretion to reasonably determine the costs and expenses necessary, appropriate, advisable or convenient to carry on its business and realize its objective, and such expenses include but are not limited to: (i) all general investment expenses (i.e., expenses which PGA LLC reasonably determines to be directly related to the investment of the Fund's assets); (ii) all Fund administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iii) fees, costs and expenses of third-party service providers that provide such services to the Fund; and, (iv) any extraordinary expenses.

PGA LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Fund. PGA LLC shall not receive any portion of such commissions, fees, costs, and expenses.

Please also see Item 12 of this Brochure, "Brokerage Practices."

D. Prepayment of Fees

Fund Investors have quarterly liquidity and subscription opportunities, and PGA LLC will pro rate the Management Fee for Fund Interests held for less than a full year. There are no subscription or redemption opportunities other than quarterly, so there is no need to pro rate the Management Fee for Interests other than on the first business day of the quarter, but in the extraordinary event such a non-quarterly redemption occurred, PGA LLC would pro rate the Management Fee.

An Investor may apply, upon giving not less than 90 calendar days' prior written notice of redemption to the Fund or the Fund's administrator on its behalf, for the redemption of shares on any redemption day at the redemption price per share calculated by reference to the net asset value per share and any redemption charge to be levied. The Fund does not permit withdrawals on any other date. In the event of an involuntary or other redemption occurring other than on a stated redemption day any prepaid fees (such as Management Fees) would be refunded for the partial quarter. Additionally, any applicable accrued but as yet uncredited Performance Allocation will be calculated at such time and Investor proceeds reduced accordingly.

E. Outside Compensation for the Sale of Securities

Neither PGA LLC nor its supervised persons accepts compensation for the sale of securities or other investment products outside of its association with PGA LLC.

**The foregoing discussion in Item 5 represents PGA LLC's basic compensation arrangements. The Management Fees and Performance Allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although PGA LLC believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

**Item 6 - Performance-Based Allocations and Side-By-Side Management**

As discussed in Item 5.A., Pilgrim Global Advisors Corporation (the parent company) generally receives a Performance Allocation of 20 per cent of net appreciation, if any, above the higher of the High Watermark and the Hurdle.

Due to the Fund's structure, PGA LLC allocates investment opportunities to the Fund, and not to individual Investor accounts. Therefore, there are no potential conflicts of interest related to side-by-side management.

Performance-based compensation may provide a possible incentive for PGA LLC to make riskier or more speculative investments on behalf of a Fund than it might make otherwise. Notwithstanding this potential incentive, PGA LLC will evaluate investments in a manner that it considers to be in the best interest of the Fund, given the Fund's investment objectives, investment strategies, suitability of the investment, and risk profile.

**Item 7 – Types of Clients**

PGA LLC will provide investment advice and management to the Fund.

The Fund restricts the number of U.S. Investors in the Fund and will offer Interests only through non-public transactions in order to maintain its exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors in the Fund must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review the Fund Constituent Documents, which set forth all of these terms in detail. Each US Investor generally must be an "accredited investor" for purposes of the U.S. Securities Act of 1933, as amended (the "Securities Act"), and all investors must be a "qualified client" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), an Investor who is eligible to enter into a performance-based compensation arrangement under state and/or U.S. federal law, as applicable, and must meet other criteria as specified in the Fund Constituent Documents. Each non-US Investor must meet the various requirements for investment as set forth in the Fund Constituent Documents and in accordance with other applicable laws. The prescribed minimum initial investment in the Fund is \$5,000,000, subject to waiver at the discretion of the Fund's board of directors.

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

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

PGA LLC employs a concentrated, value-oriented, global investment strategy. PGA LLC considers its common stock investments as fractional interests in businesses. Investment opportunities are evaluated by comparing prices to conservative estimates of underlying intrinsic business value rather than attempting to forecast stock price movements over the short and medium-term. PGA LLC seeks to invest in deeply undervalued businesses with what it deems to be a large margin of safety. Patience, a long investment time horizon, and a focus on the people involved are additional important aspects of the investment philosophy. PGA LLC defines “risk” as the probability of permanent impairments of intrinsic value of the underlying companies in the portfolio.

PGA LLC focuses on identifying opportunities following market dislocations. Examples include asset price declines following temporary industry supply or demand dislocation and geopolitical crises. These market conditions can provide the opportunity to discover extreme mis-pricings due to human, institutional, and technical factors driving stock prices. PGA LLC also focuses on identifying individual stocks which it believes have a large margin of safety; high, asymmetric return potential; and minimal medium-term risks to the business from factors such as technological obsolescence or increased competition.

PGA LLC may seek to improve the return profile of its investments through creative deal structuring when such opportunities arise. Examples include equity recapitalization, injection of growth capital, or receipt of a package of securities that improves the overall risk/return profile of an investment. Each investment opportunity is unique, and the Firm seeks to deploy Fund capital in a way that optimizes risk-adjusted returns by evaluating the full range of investment opportunities.

### **B. Risks of Investments and Strategies Utilized**

**Investing in securities involves risk of loss that Investors should be prepared to bear.**

Investment and trading risk factors, disclosed to Investors, may include:

#### **General Investment and Trading Risks**

The Fund's investment activities will depend largely on the Firm's ability to identify and exploit price discrepancies. Identification and exploitation of such opportunities involves uncertainty. No assurance can be given that PGA LLC will be able to locate investment opportunities or to correctly exploit price discrepancies. In the event that the perceived mis-pricings underlying the Fund's positions were to fail to converge toward, or were to diverge further from, relationships expected by PGA LLC, the Fund might incur losses.

However, depending upon the investment strategies employed and market conditions, the Fund may be adversely affected by unforeseen events involving such matters as political crises, changes in currency exchange rates, interest rates, forced redemptions of securities or acquisition proposals. The Directors believe that the Fund's investment program and risk management techniques moderate these risks.

#### **Lower-rated securities**

Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to be more sensitive to corporate and market developments to a greater extent than higher-rated securities which



respond significantly to fluctuations in the general level of interest rates.

### **Competition**

The securities industry is extremely competitive. The Fund competes with firms which have substantially greater financial resources than the Fund does and substantially greater research staff and more securities traders than the Fund.

### **Risks of Special Techniques Used by the Fund**

The Fund may invest using special investment techniques that may subject the Fund's investments to certain risks. Certain, but not all, of these techniques and the risks that they entail are summarized herein.

### **Concentration of Investments**

From time to time a significant portion of the Fund's capital may be concentrated in a particular security, asset, industry, counterparty, market, or country. Should such security, asset, industry, counterparty, market, or country become subject to adverse financial conditions, the Fund's capital shall not be afforded the protection otherwise available through greater diversification of its investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer or counterparty. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

### **Exchange Rules**

Each securities exchange typically has the right to suspend or limit trading in any securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses.

### **Short Selling**

While the Firm does not anticipate using short sales as part of its investment program for the Fund, it is authorized to do so. Short selling involves trading on margin and accordingly can involve greater risk than investments based on a leveraged long position. A short sale of an equity involves the risk of a theoretically unlimited increase in the market price of the equity, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no absolute guarantee that equities necessary to cover a short position will be available for purchase. The Fund does not anticipate engaging in "short sales" as part of its investment strategy but may on rare occasion do so.

### **Leverage Risk**

Leverage creates an opportunity for greater yield and total return, but at the same time increases exposure to capital risk and higher current expenses. The Fund does not expect to use leverage in its investment program but has reserved the ability to use leverage in special circumstances when deemed appropriate by PGA LLC. Any use of leverage will be moderate and will be subject to regular monitoring.

Changes in overall market leverage, deleveraging as a consequence of a decision by a counterparty to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may adversely affect the Fund's portfolio. Potential investors should be aware that under such circumstances, the net asset value of the Fund may be adversely affected.

While leverage presents opportunities for increasing the total return of the Fund, it has the effect of potentially

increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage by the Fund directly or indirectly, in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the Fund that would be greater than if leverage were not employed by the Fund.

### **Option Trading**

The Fund may purchase and sell call and put options on both securities and stock indexes. A stock index measures the movement of a certain group of stocks by assigning relative values to the common stocks included in the index. Examples of well-known stock indices are the S&P 500 and the S&P 100 Index. Both the purchasing and the selling of call and put options contain risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, the exposure to loss is potentially unlimited in the case of an uncovered call writer (i.e., a call writer who does not have and maintain during the term of the call an equivalent long position in the stock or other security underlying the call), but in practice the loss is limited by the term of existence of the call. The risk for a writer of an uncovered put option (i.e., a put option written by a writer that does not have and maintain an offsetting short position in the underlying stock or other security) is that the price of the underlying security may fall below the exercise price. The effectiveness of purchasing or selling stock index options as a hedging technique may depend upon the extent to which price movements in investments that are hedged do correlate with price movements of the stock index selected. Because the value of an index option depends upon movement in the level of the index rather than the price of a particular stock, whether a gain or loss will be realized from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally, rather than movements in the price of a particular stock.

### **Forward Trading**

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the PGA LLC would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in substantial losses to the Fund.

### **Hedging Transactions**

Assets of the Fund may be denominated in a currency other than the U.S. Dollar, which is the base currency of the Fund (the "Base Currency"), and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Firm may, but is not required to, utilize financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such

investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; (vii) hedge the price of underlying commodities on any investment in the Fund's portfolio; or (viii) for any other reason that the Firm deems appropriate. The success of the Fund's hedging strategy will depend, in part, upon the Firm's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the PGA LLC's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, PGA LLC may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. PGA LLC may not recommend that the Fund hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio.

### **Volatile Equity Markets**

The prices of securities in which the Fund may invest can be volatile. Price movements of securities in which the Fund may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

### **Credit Risk**

There can be no assurance that issuers of the securities or units of collective investment schemes or other instruments in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The Fund will also be exposed to a credit risk in relation to the counterparties (including Prime Brokers and other financing counterparties) with whom they transact or place margin or collateral in respect of transactions in derivative instruments and may bear the risk of counterparty default.

## **External Risk Factors**

### **Changes in Interest Rates**

The value of Shares may be affected by substantial adverse movements in interest rates. Interest rate risk involves the risk that, when interest rates increase, the market value of fixed-income securities tends to decline. Conversely, when interest rates decline, the market value of fixed-income securities tends to increase. As a result, the Net Asset Value may be affected. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term securities.

### **Exchange Control and Repatriation Risk**

It may not be possible for the Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. The Fund could be adversely affected by the

introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### **Regulatory, Settlement and Sub-Custodial Risk**

The value of the Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investments may be made may not provide the same degree of Shareholder protection or information to Shareholders as would generally apply in major securities markets. As the Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-depositaries in such markets may be exposed to risk in circumstances in which the Depositary will have no liability. In certain emerging and frontier markets, the Fund may also be exposed to counterparty and credit risk where securities transactions are settled other than on a delivery versus payment basis.

### **Political and Economic Risk**

Political unrest and other factors may disrupt financial markets and economic conditions in certain markets. A government's political inexperience, the instability of the political system and domestic or international policies and events affecting the economic system may increase the risk of fundamental shifts in the economy and politics of a nation or region. The consequences can include confiscation of assets with no compensation, the restriction of rights of disposal over assets, or a dramatic reduction in the value of assets as a result of state intervention or the introduction of state monitoring and control mechanisms affecting the operation of markets in that country. These and other actions could also adversely affect the ability to value investments in the Fund which could result in a temporary suspension of the determination of the Net Asset Value in the Fund during which time Shareholders may not be able to acquire or redeem Shares in the Fund. Emerging market economies are more sensitive to changes in interest and inflation rates, which are subject to greater swings than in other established countries.

### **Emerging and Frontier Markets**

There are additional risks involved in investing in emerging markets, of which frontier markets are a subset. The Fund may invest in emerging or frontier markets which may be more volatile than developed markets and the value of the investments could move sharply up or sharply down.

Investments in emerging markets may carry risks with failed or delayed settlement and with registration and custody of securities. Companies in emerging markets may not be subject to as rigorous a level of disclosure, regulatory, accounting, auditing and financial reporting standards or the same level of government supervision and regulation as in more developed markets. In addition, the standards of corporate governance applicable to companies in certain emerging and frontier markets may not be as stringent or as comprehensive as the corporate governance rules in developed markets. Investors in companies in emerging and frontier markets may experience difficulties in enforcing their rights and protecting their investment or such enforcement may be arbitrary and unpredictable. Government involvement in the economy may affect the value of investments in certain emerging markets and the risk of political instability may be high. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets which may result in problems

in realising investments. Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Fund may experience difficulty in purchasing or selling holdings of securities. The custodial practices followed in emerging and frontier markets may differ from those prevalent in developed markets with respect to the segregation of assets and the settlement of securities transactions which may expose the Fund to counterparty and credit risk in those jurisdictions. See the section headed "Regulatory, Settlement and Sub-Custodial Risk".

Investments in emerging markets may be made in a variety of currencies, whereas the Net Asset Value of the Fund at any time will be computed in US Dollars. Accordingly, the value of these investments may be affected favorably or unfavorably by currency exchange rates and exchange control regulations, although the Fund may seek to minimize exposure to currency fluctuation to the extent practicable.

#### **Reliance on Certain Information**

The Firm may elect to invest in securities on the basis of information and data filed by the issuers of such securities with the relevant exchanges and/or regulatory authorities or made directly available to the Fund by the issuers of the securities and other instruments or through sources other than the issuers. Although the Firm evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Firm may not be in a position to confirm the completeness, genuineness or accuracy of such information and data.

#### **Prime Broker Risk**

The Fund may appoint a Prime Broker. With respect to the Fund's right to the return of assets equivalent to investments of the Fund which a Prime Broker (if any) borrows, lends or otherwise uses for its own purposes, the Fund will rank as one of the Prime Broker's unsecured creditors and, in the event of the insolvency of the Prime Broker, the Fund might not be able to recover such equivalent assets in full.

#### **Risk Relating to Size of Issuers**

There is no limitation on the size or operating experience of the companies in which the Fund may invest. Some small companies in which the Fund may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

#### **Economic and Business Conditions**

General economic and business conditions may affect the Fund's activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of securities purchased by the Fund. Unexpected volatility or liquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its business and could cause it to incur losses.

More information about the Fund investments and the associated risk factors are available in the Fund Constituent Documents.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with PGA LLC. Prospective Investors should read this entire Brochure**

as well as the Fund Constituent Documents, and should consult with their own legal and tax advisers prior to investing.

### **Item 9 – Disciplinary Information**

PGA LLC and its management persons have not been a party to any legal or disciplinary events.

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

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither PGA LLC nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither PGA LLC nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

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

Neither PGA LLC nor its management persons are involved in any arrangements that create a material conflict of interest with the Fund or the investors in the Fund.

D. Selection of Other Advisors or Managers

PGA LLC has no present intention to employ unrelated, third-party advisor or managers in the Fund's program. The Firm's parent company, Pilgrim Global Advisors Corporation, has been the Fund's non-discretionary investment adviser since the Fund's inception and will continue in that role after PGA LLC's appointment as the Fund's non-EU AIFM.

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

A. Code of Ethics

PGA LLC has adopted a Compliance Manual and a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director, employee, and other supervised persons providing services to PGA LLC, the Fund, or Pilgrim Global Advisors Corporation (the parent) (collectively, "Employees"). PGA LLC holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Investors of the Fund. In serving the Investors of the Fund, PGA LLC strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees' securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of the Fund must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; (c) pre-clearance will be required for certain personal transactions as specified in the Code; and (d) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by



the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

PGA LLC will provide a copy of its Code of Ethics to Investors and prospective Investors upon request. Such a request may be made by submitting a written request to PGA LLC at the address on the cover page to this Brochure.

**B. Recommendations Involving Material Financial Interests**

Neither PGA LLC nor its related persons recommends to the Fund, or buys or sells for the Fund, securities in which PGA LLC or a related person has a material financial interest.

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

PGA LLC's policies and procedures prohibit its Employees and related persons from trading ahead of the Fund in the same instruments that PGA LLC buys or sells for the Fund. However, there may be circumstances in which PGA LLC, its Employees and/or related persons have holdings in the same instruments that PGA LLC buys or sells for the Fund, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for the Fund because of PGA LLC's recommendations regarding a particular security. PGA LLC's policy as to such transactions is that neither PGA LLC nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for the Fund and PGA LLC addresses this conflict by requiring Employees to sign and adhere to PGA LLC's Code of Ethics and to report personal securities holdings and transactions to PGA LLC.

**D. Trading Securities At/Around the Same Time as Clients' Securities**

As discussed above, from time to time, PGA LLC, its Employees, or related persons of PGA LLC may buy or sell securities for themselves that PGA LLC also recommends to the Fund. PGA LLC will always document any transactions that could be construed as conflicts of interest and will always transact Fund business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

**A. Factors Used to Select or Recommending Broker-Dealers**

PGA LLC will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, PGA LLC considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with PGA LLC's policies and procedures. In selecting brokers to execute transactions, PGA LLC need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. PGA LLC believes that the brokers that it utilizes for the Fund provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, PGA LLC seeks to pre-negotiate preferred terms

for its Investors providing Investors with the benefits associated with the economy of scale and custodial knowledge of the firm.

Certain brokers utilized by PGA LLC may provide general assistance to PGA LLC, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, PGA LLC may consider the broker's general assistance and consulting services. To the extent PGA LLC would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

1. Research and Other Soft Dollar Benefits

PGA LLC currently does not anticipate receiving research or other products or service other than execution from a broker or third-party in connection with Fund securities transactions ("soft dollar benefits"). However, in the future, PGA LLC shall have the right if, in good faith, it considers it to be in the best interest of the Fund and consistent with PGA LLC's obligations to do so, to enter into "soft dollar" arrangements with one or more brokers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future PGA LLC obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

2. Brokerage for Client Referrals

PGA LLC does not consider, in selecting or recommending brokers, client referrals from a brokers. PGA LLC may receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

PGA LLC does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by PGA LLC in its discretion and without the consent of the Fund Investors.

### **Item 13 – Review of Accounts**

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

PGA LLC reviews the Fund's accounts on a daily basis to ensure consistency with the Fund's strategy and performance objectives. Trade orders will be instructed by the managers and created in the Order Management System ("OMS") by the Portfolio OMS specialist. The trades are cleared through the OMS Compliance module before being electronically routed for execution. Trades are routed for review through an automated OMS alerts and control checks and any compliance exceptions will trigger a review of the proposed transaction by Procter Hug IV and Darren Maupin, as well as Paul FitzGerald, the Executive Director of the Fund. Asset allocation, cash management, market prospects and individual issue prospects are considered. Additional formal reviews are conducted on a quarterly basis by Procter Hug IV and Darren Maupin on behalf of Pilgrim Global, as well as the Directors of the Fund.

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

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Investors in the Fund will generally receive unaudited reports ("investor statements") of their net performance quarterly which includes their units held, the capital activity on their account and the performance of said units



both in the previous reporting quarter and year to date within 30 days of quarter end and will receive audited year-end financial statements annually within six months of the previous year end.

The assets and liabilities of the Fund will be valued by the Fund's administrator in accordance with the valuation policy of the Fund, in a manner consistent with the description set out in the Prospectus.

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

A. Economic Benefits Provided by Third Parties

PGA LLC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Fund Investors.

B. Compensation for Client Referrals

Currently, neither PGA LLC nor its related persons directly or indirectly compensates any third party for Investor referrals. If in the future PGA LLC enters into such arrangements, this Brochure will be appropriately amended.

### **Item 15 – Custody**

A rule under the Investment Advisers Act provides that if PGA LLC is considered to have “custody” of the Fund's assets, even though independent custodians actually hold those assets, it will cause certain account statements detailing holdings and transactions to be sent to Investors. PGA LLC is not deemed to have custody of the Fund's assets.

### **Item 16 – Investment Discretion**

The Fund Constituent Documents will generally authorize PGA LLC to invest and trade the assets in a broad range of investments, to be selected at PGA LLC's sole discretion. PGA LLC is governed by the Fund Constituent Documents as to the range of investments and therefore the type of investment transactions, investment methodologies and strategies it executes.

### **Item 17 – Voting Client Securities**

Upon appointment of PGA LLC as the Fund's AIFM, PGA LLC expects to exercise voting authority over Fund proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require PGA LLC to vote proxies received in a manner consistent with the best interests of the Fund.

The policies also require PGA LLC to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Fund. However, the policies permit PGA LLC to abstain from voting proxies in the event that the Funds' economic interest in the matter being voted upon is limited relative to the Funds' overall portfolio or the impact of the Funds' vote will not have an effect on its outcome or on the Funds' economic interests.

Certain of PGA LLC proxy voting guidelines are summarized below:

- PGA LLC votes for: uncontested director nominees recommended by management; the election of auditors recommended by management, unless a dispute exists over policies; limiting directors' liability; and eliminating preemptive rights.
- PGA LLC votes against proposals to: entrench the board or adopt anti-takeover measures; proposals to provide cumulative voting rights; and social issues.

Although many proxy proposals can be voted in accordance with PGA LLC's proxy voting guidelines, some proposals will require special consideration, and PGA LLC will make a decision on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates; grant options and stock to management and directors; and indemnify directors and/or officers.

Where a proxy proposal raises a material conflict between PGA LLC's interests and the interests of the Fund, PGA LLC will seek to resolve the conflict in the best interest of the Fund.

Investors may obtain a copy of PGA LLC's complete proxy voting policies and procedures upon request. Investors may also obtain information from PGA LLC about how PGA LLC voted any proxies on behalf of their account.

### **Item 18 – Financial Information**

PGA LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Investors, and has not been the subject of a bankruptcy petition.

A. Balance Sheet

PGA LLC does not require nor solicit prepayment of more than \$500 in fees per investor, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

PGA LLC will have discretionary authority over the Fund assets. At this time, neither PGA LLC nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to the Fund.

C. Bankruptcy Petitions in Previous Years

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

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.