



**PT Asset Management, LLC**

500 West Madison Street, Suite 470  
Chicago, Illinois 60661  
888-282-3220  
[www.ptam.com](http://www.ptam.com)

March 20, 2018

This Brochure provides information about the qualifications and business practices of PT Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 888-282-3220 and/or [investorrelations@ptam.com](mailto:investorrelations@ptam.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.

PT Asset Management, LLC is an SEC-registered investment adviser. Registration of an investment adviser with the SEC does not imply any level of skill or training.

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

## Item 2. Material Changes

Our most recent Brochure is dated March 22, 2017. This Brochure represents an annual update to our most recent Brochure and includes the following material changes from our most recent Brochure:

- Item 4 of this Brochure updates the name of our majority equity owner and further updates our firm-wide assets under management
- This Brochure has generally been updated to reorganize references to the types of clients to which we provide advisory services to better align with our current advisory business focus and to be more consistent with our current client mix, and to update the fees and minimum investment amounts applicable to such clients; and
- References to PTMR Advisors, LLC (and information related to its advisory services) have been deleted throughout this Brochure as a result of the termination of our affiliation with PTMR Advisors, LLC effective at the end of the day on December 31, 2017.

This Brochure should be reviewed in its entirety. A copy of this Brochure may be obtained, free of charge, by contacting us at 888-282-3220 or via email to [investorrelations@ptam.com](mailto:investorrelations@ptam.com). A copy of this Brochure is also available on our website, [www.ptam.com](http://www.ptam.com), free of charge.

Additional information about us is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered, or are required to be registered, as investment adviser representatives.

**Item 3. Table of Contents**

Item 1. Cover Page ..... i

Item 2. Material Changes ..... ii

Item 3. Table of Contents ..... iii

Item 4. Advisory Business ..... 1

Item 5. Fees and Compensation ..... 2

Item 6. Performance-Based Fees and Side-By-Side Management ..... 3

Item 7. Types of Clients ..... 4

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss ..... 4

Item 9. Disciplinary Information ..... 8

Item 10. Other Financial Industry Activities and Affiliations ..... 8

Item 11. Code of Ethics ..... 9

Item 12. Brokerage Practices ..... 9

Item 13. Review of Accounts ..... 12

Item 14. Client Referrals and Other Compensation ..... 13

Item 15. Custody ..... 13

Item 16. Investment Discretion ..... 14

Item 17. Voting Client Securities ..... 14

Item 18. Financial Information ..... 14

Miscellaneous ..... 15

Privacy Notice ..... 16

Brochure Supplement(s)

## **Item 4. Advisory Business**

### *Description and Principal Owners*

PT Asset Management, LLC, an Illinois limited liability company (“PTAM”), is an asset management firm specializing in the credit and fixed-income markets. PTAM’s principal place of business is in Chicago, Illinois.

PTAM seeks attractive investment opportunities in fixed-income markets where structural and pricing inefficiencies can create unique drivers of return, specifically including asset-backed/structured credit markets and municipal/corporate bond markets. PTAM believes its expertise lies in the ability to navigate complex investment strategies and the relationships across asset classes.

PTAM is majority-owned and controlled by PTAM Holdings, LLC, an Illinois limited liability company (“PTAM Holdings”), and minority-owned by certain senior employees of PTAM. PTAM Holdings is owned principally by Mr. Richard S. Berg through Gideon Management LLC and Mr. Philip M. Nussbaum through Micah 68, LLC.

### *Investment Management and Portfolio Advisory Services*

PTAM provides discretionary investment management and advisory services to institutions and individuals through mutual funds, separately managed accounts, sub-advisory services, and private investment funds.

As of January 1, 2018, PTAM had approximately \$1,697 million in assets under management (calculated using net asset values), comprising approximately \$1,425 million in mutual funds, approximately \$69 million in separately managed accounts, and approximately \$203 million in private investment funds (including a private investment fund with approximately \$153 million in assets under management which was in liquidation at January 1, 2018).

### *Mutual Funds*

PTAM serves as investment adviser on a discretionary basis to two fixed-income, open-end mutual funds – Performance Trust Strategic Bond Fund (PTIAX) and Performance Trust Municipal Bond Fund (PTIMX/PTRMX) – each an investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). PTAM’s discretionary authority is subject, however, to such limitations and restrictions as are set forth in the prospectus for each mutual fund client. Additional information on PTAM’s mutual funds is available at [www.ptam.com](http://www.ptam.com).

### *Separately Managed Accounts*

For separately managed accounts (SMAs), PTAM supervises and directs the investments of and for each SMA client’s account on a discretionary basis. PTAM’s discretionary authority is subject, however, to such limitations and restrictions as a client may impose in the investment advisory agreement which establishes and governs PTAM’s investment advisory services in respect of the client’s SMA, or which the SMA client may thereafter impose by notice in writing to PTAM. This discretionary authority makes PTAM the agent and attorney-in-fact with full power and authority in connection with the SMA (a) to buy, sell, exchange, convert and otherwise trade in any and all stocks, bonds and other securities as PTAM may select; and (b) to establish and deal through accounts with one or more securities brokerage firms as PTAM may select, except that the client may designate specific brokers or dealers and/or designate the use of a broker or dealer as custodian of client’s account through which PTAM shall enter orders for the account under the terms and conditions set forth in the investment advisory agreement. In addition, PTAM may invest in certain public companies or other securities for which PTAM’s directors and/or officers may be deemed as affiliates or have common ownership.

### *Private Investment Funds*

PTAM provides investment advisory services to certain pooled investment vehicles organized to operate as private investment funds. The investment objective of certain of these private investment funds generally is to purchase undervalued debt securities and earn returns through interest income and potential capital appreciation.

The private investment funds managed by PTAM are structured to be exempt under either Section 3(c)(1) or 3(c)(7) of the 1940 Act. Only investors who qualify both as (a) “accredited investors,” as defined in Regulation D under the Securities Act of 1933 (the “1933 Act”), and (b)(i) “qualified clients,” as defined in the Investment Advisers Act of 1940 (the “Advisers Act”) and the rules promulgated thereunder, or (ii) “qualified purchasers,” as defined in the Advisers Act and the rules promulgated thereunder, may invest in such private investment funds.

### *Sub-advisory Services*

PTAM from time to time may act as a sub-adviser to other investment advisers serving individuals, institutions, or private investment funds or to private investment funds themselves. The nature and extent of PTAM’s sub-advisory services will be negotiated on an individual basis depending on the needs of the investment adviser or private investment fund to which PTAM is providing sub-advisory services.

## **Item 5. Fees and Compensation**

### *General*

All fees, other than fees in respect of PTAM’s mutual fund clients, are subject to negotiation.

The specific manner in which fees are charged by PTAM is established in a client’s written agreement, either through an investment advisory agreement or an offering memorandum, with PTAM. PTAM will generally bill its fees on a monthly or quarterly basis, either in advance or arrears as may be negotiated and set forth in the underlying client’s written agreement with PTAM. A client may be billed directly for PTAM’s advisory fees or may authorize PTAM to debit its fees from the client’s account. Accounts initiated or terminated during a fee period will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

PTAM’s fees are exclusive of brokerage commissions, transaction fees, and other related investment costs and expenses which are incurred by and are the responsibility of the client. Clients also may incur and be responsible for certain charges imposed by custodians, brokers, and other third parties such as fees charged by administrators, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, other fees and taxes on brokerage accounts and securities transactions, and professional fees (if any). Mutual funds and private investment funds are also charged other costs and expenses, which are disclosed in the applicable prospectus or offering memorandum. Such charges, fees and commissions are exclusive of and in addition to PTAM’s fees, and PTAM does not receive any portion thereof.

For certain of its clients, PTAM has discretion to value client investments in such manner as we deem fair and equitable (including the authority to override third party valuations). By doing so, PTAM faces a conflict of interest because its fees are based on such investment valuations. To address this conflict of interest, PTAM has a Valuation Committee whose responsibility includes ensuring that the prices reflect fair value.

PTAM may compensate its representatives or other representatives from PTAM’s affiliates on a commission basis; however, the compensation paid will be from PTAM’s fees, not additional fees charged to the client. PTAM representatives may accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of certain funds,

including mutual funds or private investment funds, which presents a conflict of interest by providing an incentive to recommend investment products based on the compensation received, rather than based on a client's needs.

#### *Mutual Funds*

Please refer to the prospectus of each of Performance Trust Strategic Bond Fund (PTIAX) and Performance Trust Municipal Bond Fund (PTIMX/PTRMX) for a description of applicable fees and expenses (information available at [www.ptam.com](http://www.ptam.com)).

#### *Separately Managed Accounts*

SMA's are valued on the last business day of each month. Fees are based on the market value of the SMA client's account according to the current monthly appraisal and are negotiable. Clients may be charged some combination of management and/or performance/incentive fees. Management fees are calculated at an annual rate of up to 1.5% of asset value. Performance/incentive fees, if applicable to a particular SMA, are payable annually in arrears or at the termination of the investment advisory agreement, whichever is sooner, and are calculated at a rate of up to 20% of appreciation in SMA net asset value over the calculation period. The performance/incentive fee calculation in respect of an SMA generally is subject to a "high-water mark," in which a performance/incentive fee may only be charged to the extent the SMA's net asset value has increased beyond the previous year-end value. Where a performance/incentive fee is payable, the SMA client must qualify both as (a) an "accredited investor," as defined in Regulation D under the 1933 Act, and (b) a "qualified client," as defined in the Advisers Act and the rules promulgated thereunder.

#### *Private Investment Funds*

Management fees applicable to PTAM's private investment fund clients are calculated at an annual rate ranging from 1.0% to 1.5% of the net asset value of the applicable private investment fund (which rate may be voluntarily reduced by PTAM in respect of a liquidating private investment fund client). In addition, at the end of each fiscal year, certain private investment funds are subject to a performance/ incentive fee or allocation calculated at a rate of up to 20% of the performance achieved for the prior fiscal year. The performance/incentive fee or allocation calculation generally is subject to a "high-water mark," in which such performance/incentive fee or allocation may only be charged to the extent the asset value has increased beyond the previous year-end value. Private investment funds also incur custodial, accounting, transfer agency, audit/tax and administrative fees payable to third parties, which expenses generally are borne by the applicable private investment fund (and investors therein).

#### *Sub-advisory Services*

Where PTAM acts as sub-adviser to other investment advisers serving individuals or institutions, the fees charged may be discounted from the rates set forth above to reflect the investment adviser's lower costs involved in servicing these accounts. PTAM's sub-advisory fees are generally similar to fees charged by the investment adviser to the underlying accounts for the investment adviser's services. Actual sub-advisory fees will be negotiated depending on the specific responsibilities required by the client based on the client's needs, including respective securities holdings. Where PTAM acts as sub-adviser to private investment funds, the fees charged will be subject to the governing documents of the underlying private investment fund and negotiations between PTAM and the relevant parties.

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

PTAM has entered into performance-based fee or allocation arrangements with certain of its SMA and private investment fund clients structured as performance/incentive fees or allocations. The applicability and terms of any such performance/incentive fee or allocation are subject to negotiation with each applicable client and, for an SMA, are set forth in the SMA client's investment advisory agreement with

PTAM or, for a private investment fund, are described in the private investment fund client's offering memorandum. PTAM will structure any performance/incentive fee or allocation arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. For a performance/incentive fee or allocation to be applicable to a client, the client must qualify both as (a) an "accredited investor," as defined in Regulation D under the 1933 Act, and (b) a "qualified client," as defined in the Advisers Act and the rules promulgated thereunder. In calculating any performance/incentive fee or allocation in respect of any client, PTAM includes realized and unrealized capital gains and losses.

Performance-based fee arrangements may create an incentive for PTAM to recommend investments which may be riskier or more speculative than those which would be recommended in the absence of a performance-based compensation arrangement or under a different fee arrangement. Such performance-based fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. PTAM has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients, including that PTAM does not solely compensate its employees based on performance-based fees.

## **Item 7. Types of Clients**

PTAM provides investment and portfolio management and advisory services to individuals, high net worth individuals, other investment advisers, registered mutual funds, private investment funds, and other institutional investors. Certain of PTAM's principals and employees, and PTAM's affiliates and their principals and employees, also invest in PTAM's mutual fund and private investment fund clients, and may also maintain SMAs managed by PTAM. For mutual funds and private investment funds, PTAM's investment and portfolio management and advisory services are provided directly to the funds, and not to the underlying investors in the funds.

Although the minimum account size or minimum initial investment may be negotiated and is subject to change (including waiver by PTAM) without notice, the minimum account size for opening an SMA advised by PTAM and the minimum initial investment in a mutual fund or private investment fund client of PTAM's generally are as follows: SMAs - \$10,000,000 minimum account size (excluding sub-advisory SMAs where the minimum account size generally is \$150,000); private investment funds - \$1,000,000 minimum initial investment; Performance Trust Strategic Bond Fund (PTIAX) - \$2,500 minimum initial investment; and Performance Trust Municipal Bond Fund (PTIMX/PTRMX) - \$1,000,000 (Institutional Class, PTIMX) minimum initial investment and \$2,500 (Retail Class, PTRMX) minimum initial investment.

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

### *Methods of Analysis and Investment Strategies*

PTAM strives to identify sectors with the best risk-reward profiles and employs a quantitative approach in order to select specific securities that generate portfolio outperformance. PTAM blends a disciplined analytic-based investment strategy to look at total return characteristics primarily in debt securities (e.g., agency and non-agency residential mortgage-backed securities, commercial mortgage-backed securities, collateralized debt obligations, collateralized bond obligations, other asset-backed securities, municipal securities, corporate bonds, etc.) over a variety of interest rate scenarios, yield curve shifts, and time horizons. PTAM focuses on a relative value approach to exploit pricing inefficiencies within the identified sectors and among securities.

PTAM has broad discretion in making investments for its clients. The investment strategies PTAM employs on behalf of a particular client are intended to be consistent with the client's investment program and to attain the client's investment objective, although as with all investment programs, PTAM may not be successful in achieving a client's investment objective. For some clients, PTAM employs a broad-based approach, utilizing a wide range of investment strategies across a range of asset types and/or geographies, while other clients only focus on a single (or just a few) investment strategies, asset types

and/or geographies. Clients may have the same or similar investment strategies, or may have entirely different investment strategies. For clients that pursue more than a single investment strategy, PTAM's investment activities (and the allocation of client capital) are intended to be flexible. Accordingly, for those clients, investments in a particular strategy may comprise, from time to time, a varying proportion of a client's portfolio and at any point in time PTAM may emphasize or de-emphasize any particular strategy depending on the market opportunity set. For single-strategy clients, investments consistent with that strategy may comprise all or substantially the entirety of the client's portfolio.

For certain clients, there are no material limitations on the securities, instruments, asset types, markets or jurisdictions in which PTAM may invest in implementing the client's investment strategy. For those clients, we may take long and short positions in a broad range of domestic and foreign, public and private, listed and unlisted securities and instruments, including derivatives. For other clients, we may take primarily long (or long-leaning) positions. We use leverage in our investing activities on behalf of certain private investment funds. We may also use leverage in our mutual funds, subject to, and limited by, the Investment Company Act.

### *Risk of Loss and Other Material Risks*

In managing or advising (or sub-advising) client portfolios, PTAM may not correctly evaluate the nature and magnitude of the various risks and other factors that could affect the value of and return on those investments. PTAM's market judgment and discretion is integral to the implementation and success of a client's investment objective and strategy. However, there can be no assurance that PTAM will achieve the investment objective of any client or that any of the investment strategies that we employ for a client will be successful, or that PTAM's strategies and services will provide positive performance over any period of time or outperform other strategies and services. Certain assumptions may have been made in connection with PTAM's methods of analysis, and changes to these assumptions may have a material impact on the analysis or results. Although PTAM's research and analysis is obtained from sources considered to be reliable, PTAM does not guarantee their accuracy, adequacy or completeness. Moreover, past performance is not indicative of future results.

An underlying investment in any client (including in an SMA) is highly speculative. ***Investing in securities involves risk of loss, which may be substantial and which clients (and underlying investors in clients) should be prepared to bear.*** Clients, including SMA clients, and underlying investors in mutual funds or private investment funds must be prepared to lose all or substantially all of their investment. In addition to the risk of loss, there are other material risks involved in PTAM's significant investment strategies and analytical methods, as well as in its activities as an investment adviser generally. Clients should consider carefully the investment objectives, risks, charges, and expenses, including reading the prospectus and private placement/offering memorandum, prior to investing. Not all of the material risks applicable to a particular client will be equally relevant to all clients, nor will the exposure of any particular client to any risk be present at all times or be constant over time.

Investing in securities, including fixed-income securities, involves risk, including market/pricing risk, credit risk (as applied to fixed-income securities), the risk of principal loss, legal risk, operations risk, documentation risk, liquidity risk, systemic risk, concentration risk, and counterparty/settlement risk.

The prices of securities held as client investments may be volatile and may rapidly and unpredictably decline in response to certain events taking place around the world, including conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and interest rate fluctuations. As such, a variety of conditions that are inherently difficult to predict may significantly affect client performance and adversely impact the value of client investments. Clients should have a long-term perspective and be able to tolerate declines in value.

Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in asset-backed and mortgage-backed securities include additional risks, such as prepayment risk, possible illiquidity and



default, as well as increased susceptibility to adverse economic developments. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may “call” or repay, its high yielding bonds before their maturity dates. Fixed-income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. For municipal securities, the municipal market can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers. Municipal securities may decrease in value during times when tax rates are falling or default when municipal lease obligations, which are issued by a state or local government, are not met. Additionally, there are risks associated with PTAM’s use of prepayment assumptions and/or the future performance of any securities or structures. Collateralized mortgage obligation and mortgage-backed yields and cash flow projections are calculated using estimates based on assumed prepayment assumptions that may or may not be met, and are quoted as bond equivalent yields unless otherwise noted. Changes in prepayment rates and/or payments may significantly affect yield, price total return and average life.

Investments in Real Estate Investment Trusts involve additional risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. Investments in derivatives involve investment exposure that may exceed the original cost and a small investment in derivatives could have a large potential impact on the performance of the investor’s investments. Investments in commodities, futures, and options contracts involve risks including, without limitation, leverage; margin is usually only 5% to 15% of the face value of the contract and exposure can be nearly unlimited. Futures markets can also be highly volatile. Options and swap positions held as investments may be illiquid, and it may be difficult to close out a position. Investments in closed-end funds and exchange-traded funds involve risks that the market price of their shares may trade at a discount to net asset value, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact the ability to sell shares.

In response to the disruptions in the credit markets, the U.S. Federal Reserve lowered interest rates to historically low levels. Interest rates remain at historically low levels, notwithstanding the series of interest rate hikes which the U.S. Federal Reserve began in late 2015. Accordingly, it is reasonable to assume that interest rates will rise over time. Rising interest rates could lead to material losses to PTAM’s clients and expose client investments to liquidity risk (e.g., market volatility, the effect of increased redemptions, and reductions in dealer inventory) and duration risk (e.g., that longer term securities may be more sensitive to interest rate changes).

Lack of liquidity can make it difficult or impossible for PTAM to purchase or sell securities at desired prices or in desired quantities, as a result of which, among other things, it may be economically unfeasible for PTAM to recognize profits on open positions or to close out open positions against which the market is moving. In particular, sales of illiquid instruments may be possible only at a substantial discount. In addition, such instruments may be difficult to value, and illiquidity can disconnect market values from the historical pricing indicators used in our investment analysis, as the fewer transactions that take place the greater the risk of market values’ not reflecting true pricing relationships or fair value. The uncertain and fluctuating nature of valuations of such positions means that the value PTAM has determined may, from time to time, materially misstate actual and/or realizable value.

PTAM may attempt to hedge certain exposures in a client’s portfolio, including through the use of derivatives and other hedging techniques such as short sales. However, PTAM may not measure the relevant exposure properly or may employ an ineffective hedging strategy. Moreover, PTAM’s hedging activities may not serve to reduce risk and may generate significant losses, which could substantially offset or be in excess of any gains and result in poorer overall performance.

PTAM may engage in short selling for certain clients. Short selling involves the borrowing and subsequent sale of securities. Securities borrowed ultimately must be returned to the lender, typically on demand. There is a risk that PTAM may be forced to prematurely close out short positions or that securities are not available for purchase at all or at favorable prices when they are required to be returned. Losses on securities sold short can increase rapidly and are theoretically unlimited. Short selling activities are

frequently subject to legislative and regulatory scrutiny. Limitations or additional requirements on short selling could materially impact PTAM's investing activities on behalf of certain clients or the value of client portfolios.

Client portfolios, particularly those of PTAM's private investment fund clients, may be exposed for investment or hedging purposes, sometimes substantially, to synthetic instruments and derivatives, including credit default swaps, options, futures, forwards, and swaptions. Synthetic instruments and derivatives typically involve highly-leveraged exposure to underlying reference assets from which their value, at least in part, is derived. Accordingly, these investments bear the risks inherent in the use of leverage generally, including the risk of default and collateral posting requirements, and are also exposed to the risks of the referenced asset or assets. Transactions in synthetic instruments and derivatives may be effected on established exchanges or over-the-counter pursuant to privately-negotiated and potentially highly-customized contracts. Exchange-traded synthetic instruments and derivatives involve a clearinghouse which reduces overall risk; by contrast, over-the-counter transactions bear settlement risk and the risk of default by the contractual counterparty. There also may be imperfect correlation between the synthetic instrument or derivative and the underlying asset or assets. Moreover, our ability to successfully use synthetic instruments and derivatives may be more dependent on our ability to predict pertinent market movements than other investments. Accordingly, the use of synthetic instruments and derivatives may result in losses greater than if they had not been used.

The implementation of a client's investment strategy, prevailing market opportunities or conditions and/or a client's capital needs may result in PTAM's trading the client portfolio more actively than anticipated or at undesirable or inopportune times. As a result, client brokerage commissions and costs may significantly exceed those of other investment entities of comparable size.

PTAM uses leverage in managing certain client portfolios, particularly those of PTAM's private investment fund clients. Leverage may be achieved in numerous ways, including through margin borrowings, bank lines of credit, reverse repurchase financings, and the use of synthetic instruments and derivatives. While the use of leverage can enhance returns under certain circumstances, it also exposes clients to greater losses from investments than would otherwise have been the case had leverage not been used. The use of leverage also subjects clients to the risk of default and the potential material adverse consequences to the client of a default. In addition, banks and dealers that provide financing can apply discretionary margin, "haircut," financing, security and collateral valuation policies. Such margin calls or collateral requirements, or changes by banks and dealers in their policies, or the imposition of other credit limitations or restrictions could compel PTAM to liquidate all or part of a client's assets at disadvantageous prices, perhaps leading to losses. The credit available to a client could be materially reduced for a significant period of time, including in situations that are outside of PTAM's or the client's control. A client's inability to access credit on reasonable terms could significantly impact performance.

Clients are exposed to the credit risk of brokerage firms, prime brokers, banks, custodians and other counterparties. A client could suffer losses if a counterparty were to become bankrupt or insolvent or were to default on a contract with or its obligations to the client, which losses could be material. In the event of a counterparty failure, PTAM may not be able to access and trade client assets, and losses may result from practical or timing problems associated with recovering or enforcing a client's rights to its assets. Client assets custodied by a prime broker may be pledged, transferred and rehypothecated, and PTAM expects prime brokers to utilize this ability to the fullest extent permitted by law. Moreover, to the extent of any leverage extended to a client, all client assets custodied by the lender may collateralize those borrowings. The insolvency of or default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, whether or not a client's counterparty, may cause a series of defaults by the other institutions, some of which may be client counterparties, and also may adversely affect financial intermediaries, such as clearing agencies, clearinghouses, banks, securities firms and exchanges. Client losses could result from this "systemic risk." Clients also could be adversely affected by actions of counterparties and service providers, including misconduct, misappropriation of assets, breach of contract or improper use or disclosure of client confidential information. A client's relationships may be concentrated in or across a small number of counterparties, and this lack of diversification could magnify the adverse impact of a default by any single counterparty. Counterparty risk

may be heightened with foreign counterparties or in situations governed by laws outside the United States.

PTAM relies extensively on its technology infrastructure and operational and administrative capabilities. PTAM employs computer/electronic programs and systems to trade, clear and settle securities transactions, to evaluate certain investments based on real-time trading information, to monitor client portfolios, and to generate portfolio accounting, risk management and other reports. In addition, PTAM's business and operations functions and technology interface with and depend on systems licensed from or operated by third parties, including client custodians, banks, prime brokers and market counterparties, trading platforms, and other service providers. PTAM may not be in a position to verify the risks or reliability of the systems, processes and controls of third parties. All of these systems are subject to human error and certain defects, failures or interruptions and any error, defect or failure, even if temporary, could have a material adverse effect on PTAM's investing activities on behalf of its clients. There is a risk that systems and operational failures may cause financial loss, the disruption of business, liability to clients or third parties, regulatory intervention or reputational damage.

PTAM's ability to effectively manage client portfolios depends on its ability to retain and motivate its team and to attract talented and qualified individuals, and to do so against the backdrop of a highly competitive financial services market. The loss or departure of a key person could adversely affect PTAM's investing activities on behalf of its clients to the extent of any resulting dislocation and its duration. Errors or misconduct by our personnel could cause significant losses to our clients. In addition, our personnel (including former personnel) may violate, or claim or allege that PTAM has violated, legal or contractual obligations, which could result in litigation or serious financial or reputational harm to PTAM and, potentially, to clients.

***For mutual fund and private investment fund clients, a more detailed discussion of the investment strategies and material risks in respect of such clients (and their underlying investors) can be found in the client's prospectus or offering memorandum, as applicable.***

## **Item 9. Disciplinary Information**

Investment advisers registered with the SEC are required in this Item 9 to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

PTAM has no information applicable to this Item 9.

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

As noted in Item 4 above, PTAM is majority owned and controlled by PTAM Holdings. PTAM Holdings is under common control with an affiliated entity that owns and controls Performance Trust Capital Partners, LLC, an Illinois limited liability company ("PTCP"). PTCP is a dually SEC-registered investment adviser and broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Certain PTAM employees whose function requires their individual registration with FINRA are so registered, and their individual registrations are sponsored and maintained by PTCP on PTAM's behalf.

PTCP may act as a principal for trades executed with SMAs advised by PTAM. When transacting securities with PTAM SMA clients, PTCP will purchase securities into its own inventory from a PTAM SMA client or will sell securities out of inventory to a PTAM SMA client. In light of the common ownership and control between PTAM and PTCP, any such trades constitute "principal transactions" as contemplated under the Advisers Act and, among other things, require disclosure of the material terms of such transaction, including any applicable sales commissions or mark-ups accruing to PTCP, to the PTAM SMA client and also require the PTAM SMA client's prior written consent to such transaction.

PTAM is an affiliate of the general partner of one of the private investment funds managed by PTAM, which general partner is wholly-owned by PTAM Holdings. Additionally, our clients may be solicited to

invest in this private investment fund. PTAM will not engage in any principal transactions with such private investment fund. PTAM may recommend to clients that they invest in a mutual fund or a private investment fund which PTAM manages and for which PTAM receives fees. PTAM, its principals and their respective affiliates, officers and employees, including the general partner entity referenced above, may hold an interest in one or more mutual fund or private investment fund clients of PTAM as investors, which interests may be significant from time to time. PTAM has various conflicts of interest arising out of such relationships with its mutual fund and private investment fund clients and the investors therein.

PTAM is currently registered with the Commodity Futures Trading Commission as a “commodity pool operator” with respect to the operation of certain private investment funds which are “commodity pools” under the Commodity Exchange Act of 1936, as amended, and related regulations and which are not exempt from such registration requirements. Pursuant to applicable regulations, certain PTAM employees, which may also from time to time be underlying investors in a mutual fund or private investment fund client of PTAM’s, are also each individually registered with the Commodity Futures Trading Commission as a principal and, if applicable, an associated person.

#### **Item 11. Code of Ethics**

As a fiduciary, PTAM places its clients’ interests first and foremost. Pursuant to Rule 204A-1 under the Advisers Act and to help prevent conflicts of interest, PTAM has adopted a Code of Ethics and Insider Trading Policy (the “Code”) to (a) specify and prohibit certain types of personal securities transactions deemed to create a conflict of interest, and (b) to aid us in preventing, detecting and imposing sanctions for insider trading. Each of our members, officers, and employees must review, acknowledge receipt of (at least initially at hire and annually) and follow these procedures, or risk serious sanctions, including dismissal, substantial personal liability and criminal penalties. PTAM will provide a copy of the Code to any client or prospective client upon request.

The Code imposes restrictions on “access persons,” which generally include all PTAM employees. Access persons may not place their interests before the interests of our clients, and must conduct all personal securities transactions consistent with the Code, so as to avoid any actual or potential conflicts of interest, or an abuse of a position of trust or responsibility, and must not take inappropriate advantage of their position with PTAM or one of our affiliates. The Code imposes restrictions on access persons in respect of the purchase or sale of securities in their personal accounts and other accounts in which they have a beneficial interest. Among other requirements, access persons are required to pre-clear certain securities transactions, provide initial and annual disclosure of brokerage accounts, report quarterly of all transactions of reportable securities beneficially owned by the access person and are subject to blackout periods and restrictions on short-term trading. In addition, the Code outlines guidelines concerning the misuse of material non-public information that are designed to prevent insider trading by any principal or employee.

PTAM employees can make personal investments in its mutual fund clients, subject to pre-clearance approval under the Code. PTAM’s mutual funds are also available for investment by PTAM’s employees in PTAM’s 401(k) plan. Employees and affiliates can also make personal investments in PTAM’s private investment funds subject to the qualifying terms applicable to such private investment fund and pre-clearance approval under the Code.

#### **Item 12. Brokerage Practices**

##### *Factors Considered in Selecting Broker-Dealers for Client Transactions*

PTAM is authorized to determine the broker-dealer to be used in executing securities transaction for our mutual fund and private investment fund clients and, unless limited by the terms of the applicable investment advisory (or sub-advisory) agreement, our SMA clients.

PTAM trades with or through broker-dealers believed to be qualified to provide brokerage services to our clients. In qualifying broker-dealers, PTAM considers a number of general criteria, including, among other

things, the scope and quality of the brokerage services provided by the broker-dealer, the broker-dealer's financial stability and reputation, and the execution and operational capabilities of the broker-dealer. In selecting broker-dealers for client transactions, PTAM does not give priority consideration to any broker-dealer. PTAM selects the broker-dealer for a particular client transaction based on a combination of quantitative and qualitative considerations in addition to the actual execution price, including, among other things, the quality of the broker-dealer's quoted market for the asset, the broker-dealer's compensation/commission rate, the nature and liquidity of the security being transacted, the broker-dealer's expertise and inventory in the type of asset being transacted, the broker-dealer's ability to reliably and efficiently handle the transaction, PTAM's experience with the broker-dealer, research services provided by the broker-dealer (which may be used across or for multiple of PTAM's clients), and, if applicable, the ability to aggregate client transactions. Although PTAM makes a good faith determination that the amount of compensation/commission rate paid to a broker-dealer in executing client transactions is reasonable under the circumstances, selecting broker-dealers on the basis of considerations that are not limited to the lowest possible compensation/commission rate may result in higher transaction costs than would otherwise be obtainable.

### *Best Execution*

In executing securities transactions for a client, PTAM seeks to obtain best execution, except in circumstances where the client directs us to use a broker-dealer selected by the client for the client's transactions. Generally, only certain of our SMA clients may so direct the client's brokerage. In such cases, we advise the SMA client that such directed brokerage may result in our being unable to obtain best execution for the client's transactions and, thus, the client may pay a higher price and/or transaction and execution costs than could be obtained elsewhere. Consistent with best execution, PTAM may use PTCP, its affiliated broker-dealer, to execute transactions for PTAM's SMA clients, unless otherwise directed by the SMA client. This may result in compensation being paid to such affiliated entity.

PTAM may execute client transactions with broker-dealers affiliated with client prime brokers, banks or custodians of client assets which may provide such services to one or more PTAM clients and which may, as part of their overall service offering, provide capital introduction services to us. Capital introduction services involve providing us with the opportunity to participate in events and industry conferences sponsored by the prime broker, bank or custodian or otherwise connecting us with or referring us to prospective investors which might have an interest in investing in our mutual fund or private investment fund clients or becoming an SMA client. PTAM may consider these services when selecting or recommending client prime brokers, banks and custodians for our clients, as applicable. PTAM also may have an incentive to select a broker-dealer affiliate of a prime broker, bank or custodian for client transactions based on these services. For example, we would benefit by receiving additional fees and compensation if a prospective investor identified or referred to us as part of a prime broker's capital introduction services were to invest in or become a client of ours. However, PTAM does not consider capital introduction services or client referrals in determining whether to qualify a broker-dealer or the manner in which we allocate client brokerage. In addition, an underlying investor in a client may be affiliated with a broker-dealer, prime broker or custodian, but we similarly do not take that into consideration in selecting broker-dealers for client transactions.

### *Soft Dollars*

PTAM may select a broker-dealer for client transactions that furnishes directly or through correspondent relationships with research, brokerage or other services which provide, in PTAM's view, appropriate assistance in the investment decision-making process. Such research, brokerage or other services may include research reports on companies, industries and securities (including third party research); economic and financial data; economic surveys and analyses; recommendations as to specific securities; financial publications; computer data bases; quotation equipment and services; and research-oriented computer software and other services. In some circumstances, the commissions paid on transactions with broker-dealers providing such services may exceed the amount another broker-dealer would have charged for effecting such transactions. The use of these commissions or "soft dollars" to pay for such research, brokerage or other services, whether provided directly or indirectly, may be utilized by PTAM to

the extent permissible under applicable law, including, without limitation, Section 28(e) of the Securities Exchange Act of 1934, as amended. Soft dollars may be generated in various trading activities, including, among others, agency transactions, fixed-price offerings and over-the-counter principal transactions. If PTAM receives products or services from broker-dealers that are used both for research purposes and for administrative or other non-research purposes, it will make a good faith effort to determine the relative proportions of such products or services which may be considered as investment research, based primarily on anticipated usage, and will pay for the costs attributable to the non-research usage in cash.

Where PTAM uses “soft dollars” generated by client transactions to pay for research, brokerage or other services, PTAM receives a benefit because it does not have to produce or pay for such research, brokerage or other services. PTAM therefore may have an incentive to select or recommend a broker-dealer based on PTAM’s interest in receiving the broker-dealer’s research, brokerage or other services, rather than on the clients’ interest in receiving the most favorable execution. Moreover, research, brokerage and other services obtained by the use of “soft dollars” arising from one PTAM client’s investment transactions may be used by PTAM in its other investment activities and thus, the client whose transactions generated the “soft dollars” may not necessarily, in any particular instance, be the sole beneficiary of the research, brokerage or other services provided. PTAM is not currently a party to any agreement or arrangement with any broker-dealer with respect to the accumulation or use of “soft dollars” through client transactions.

#### *Trade Aggregation*

PTAM may aggregate client transactions where PTAM believes aggregating such transactions provides more favorable execution for the relevant clients due to a larger block size transaction than would be the case without such aggregation. Aggregation of orders for fixed-income securities (other than in connection with new issuances) is infrequent due to the nature of how such orders are placed and processed. Prevailing trading activity may make it impossible for the receipt of the same price or execution on the entire volume of securities purchased or sold.

#### *Trade Allocation*

In order to ensure fairness in the allocation of investment opportunities among the types of clients it manages, PTAM allocates investment opportunities on a *pro rata* or random basis, taking into consideration the prime determinants of, among other things, market exposure, risk tolerance, cash available for investment, financing ability and terms, return expectations, known or anticipated capital flows, bond level *de minimis* and industry sector exposure, and the suitability of such investments to each account. In determining the suitability of each investment opportunity for its clients, PTAM considers a number of factors, the most important being the client’s investment objective and strategies, existing portfolio composition, risk, cash availability, and financing levels.

Transactions are allocated promptly, usually on the trade date. There will be instances when certain trades will not be allocated across all PTAM clients. However, PTAM’s objective over time is to ensure that all accounts and products receive fair treatment in the allocation of trades.

PTAM’s operations group (sometimes at the discretion of the portfolio manager) allocates fixed-income securities on a *pro rata* or random basis, taking into consideration the prime determinants described above and/or specific fund objectives and restrictions. Under no circumstances do affiliated, house, or employee accounts receive any preferential treatment in the trade allocation process.

#### *Agency Cross and Cross Transactions*

PTAM does not engage in any agency cross transactions.

On occasion, PTAM may effect cross transactions between clients, in which one PTAM client will purchase securities held by another PTAM client. Such cross transactions are only entered into when:

- we believe the transaction is in the best interest of both clients;
- we determine the price to be fair to both clients; and
- we believe the transaction constitutes “best execution” for both clients.

Neither PTAM nor any related party receives any compensation in connection with such cross transactions.

Clients may be charged a commission by the executing broker for a cross transaction, and other local transaction charges and fees may also apply. The total compensation a client may pay to the executing broker-dealer in connection with such cross transactions will depend on:

- the broker-dealer’s commission rate applicable to the cross transaction (if any);
- the terms of the brokerage agreement with the executing broker-dealer; and/or
- other applicable local market regulations and/or practices.

#### *Trade Error Policy*

Transactions on behalf of clients may be executed on occasion in a manner that differs from what was intended for the client, whether during the investment decision-making process or the trading process. PTAM promptly reviews any trade errors that it discovers, on a case-by-case basis, and decides what corrective steps to take, if any, after reviewing the trade error. Trade errors (whether gains or losses) are borne by the affected client, unless such trade errors are the result of conduct inconsistent with the standard of care set forth in the relevant investment advisory (or sub-advisory) agreements, prospectus or offering memorandum or are otherwise prohibited to be charged to the client by the terms thereof.

### **Item 13. Review of Accounts**

PTAM provides continuous investment and portfolio management and advisory services to our clients. Client investment portfolios which are managed or advised by PTAM are monitored on an intraday and day-to-day basis by relevant investment-related, including portfolio management and trading, personnel. PTAM’s investment-related personnel are authorized to initiate and adjust client investments within the constraints and parameters established in respect of the applicable client, taking into account market developments and other circumstances which may merit a change in a client’s portfolio. PTAM’s operations group generally reconciles all client investment and trading activity on a daily basis to ensure the proper posting and processing of transactions, although for certain of our clients, including our mutual fund clients, the primary responsibility for this daily operational process may be outsourced to a third party administrator, custodian or other service provider.

#### *Mutual Funds*

PTAM’s mutual funds are subject to the provisions of the 1940 Act, including as to reporting, which reports are the responsibility of the governing body of the mutual fund and are not generated or provided by us. Among other requirements, the financial statements of the mutual funds will be audited as of the end of each fiscal year by an independent accounting firm that is registered with and examined by the Public Company Accounting Oversight Board.

#### *Separately Managed Accounts*

As applicable, SMA clients are assessed initially on their investment objectives, suitability, and risk tolerances, among other things. Thereafter, SMA reviews are performed at least quarterly (but typically more often than quarterly) on portfolio holdings, characteristics, performance and attribution.



SMA clients are responsible for maintaining custody of all assets and securing independent accounting and tax reports. SMA clients receive statements from their SMA custodian every month during which there is activity in their account. Additionally, PTAM may provide SMA clients with a report at the end of each calendar quarter that can include relevant account and/or market related information. An SMA client also receives any specific reporting relevant to the client's account as may be required to be provided by us in accordance with the terms of the client's investment advisory (or sub-advisory) agreement with us.

#### *Private Investment Funds*

Each investor in a private investment fund client receives a written monthly statement reporting the investor's capital account or net asset value per share, as the case may be, from the client's third party administrator. Following the end of each fiscal year, each investor in a private investment fund client is furnished with a set of financial statements for the fiscal year, audited by an independent accounting firm that is registered with and examined by the Public Company Accounting Oversight Board, as well as all information pertaining to these investments as may be necessary for the preparation of the limited partner's federal, state or local income tax return. Although reasonable efforts are used to provide annual tax information as soon as possible after the close of the taxable year, if all of the necessary underlying information is not available on a timely basis, such tax information may not be provided to investors in the applicable private investment fund for any given taxable year until after April 15 of the following year.

PTAM also furnishes periodic letters and reports to investors in private investment fund clients (other than liquidating private investment fund clients) providing the private investment fund's net assets, certain performance data, certain attribution metrics, and/or general commentary on the market in which the private investment fund operates for the prior period. Certain investors in a private investment fund client may request and receive additional or different information in connection with their investment due diligence and monitoring activities than the information regularly provided to other (or all) investors in such private investment fund (or any other of PTAM's clients).

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

PTAM may pay third-party solicitors for client or investor referrals in respect of its mutual fund, SMA and private investment fund clients. The solicitor generally receives compensation for client/investor referrals based on a percentage of the amount invested by the client or a portion of the management fee and/or performance-based compensation PTAM receives. Mutual fund clients also enter into customary dealer selling agreements with unaffiliated dealers and registered investment advisers that compensate the dealer based on the amount invested by clients of the dealers in PTAM's mutual fund clients.

The payments made for client referrals do not impact the overall fees paid by clients. PTAM makes full disclosure to the client of the client referral at the time of entering into an investment advisory agreement with client, including a description of the arrangement and the compensation.

The receipt of compensation for the promotion of PTAM's investment advisory services, including to mutual funds, SMAs and private investment funds, presents a conflict of interest and provides an incentive to recommend investment products based upon the compensation received, rather than a client's needs.

#### **Item 15. Custody**

If provided with the authority, PTAM has the ability to debit management, performance-based and other fees directly from client accounts; however, PTAM does not have authority to possess or take actual custody of clients' funds or securities.

PTAM's SMA clients receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. PTAM urges its SMA clients to carefully review such statements and compare such official custodial records to the account statements that PTAM



may provide to the client. PTAM's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For private investment fund clients, PTAM may be deemed to have constructive custody of certain assets but does not serve as a qualified custodian. Actual custody of the assets of a private investment fund is maintained with a broker-dealer (or "prime broker"), custodian or bank. PTAM satisfies the applicable regulatory requirements related to custody by ensuring (a) that each private investment fund client is subject to an annual audit by an independent accounting firm that is registered with and examined by the Public Company Accounting Oversight Board, and (b) that audited financial statements for each private investment fund client are provided to its respective investors within 120 days after the applicable private investment fund's fiscal year-end.

#### **Item 16. Investment Discretion**

PTAM usually is granted discretionary authority from the client at the outset of its investment advisory/management relationship to select securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client and subject to the terms, including any limitations on such discretionary authority, set forth in the investment advisory (or sub-advisory) agreement with the client or the prospectus or offering memorandum for the client. PTAM's authority on behalf of a private investment fund client is subject to the oversight of the client's governing body which may be a general partner or manager or a board of directors (and where the governing body is a general partner or manager, PTAM or one of its affiliates typically serves in such capacity as described in Item 10). PTAM's authority on behalf of its mutual fund clients is subject to the oversight of the mutual fund's governing body.

PTAM observes all investment policies, limitations and restrictions of the clients for which it advises. For mutual funds, PTAM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to PTAM in writing.

#### **Item 17. Voting Client Securities**

For clients who have given PTAM the authority to vote proxies relating to equity securities on their behalf, PTAM has developed policies and procedures to ensure that such proxies are voted in the clients' best interests. These policies and procedures are relatively general in nature to allow PTAM the flexibility and discretion to use its business judgment in making appropriate decisions with respect to client proxies. It is PTAM's policy to vote client shares primarily in conformity with Glass Lewis & Co.'s recommendations, in order to limit conflict of interest issues between PTAM and its clients.

Glass Lewis & Co. is an independent third party that issues recommendations based on its own internal guidelines. PTAM votes client shares via ProxyEdge, an electronic voting platform provided by Broadridge Financial Solutions Inc. Additionally, ProxyEdge retains a record of proxy votes for each client.

Clients may obtain a copy of PTAM's complete proxy voting policies and procedures, information on how PTAM, through ProxyEdge, voted proxies with respect to the client's equity security holdings where the client has granted such voting authority to PTAM, or Glass Lewis & Co.'s proxy voting guidelines by emailing [investorrelations@ptam.com](mailto:investorrelations@ptam.com) or by sending a written request to us at the address set forth on the Cover Page of this Brochure to the attention of the Compliance Department.

#### **Item 18. Financial Information**

Investment advisers registered with the SEC are required in this Item 18 to provide certain financial information or disclosures about their financial condition.

PTAM has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to its clients, and PTAM has not been the subject of a bankruptcy proceeding.

## **Miscellaneous**

### *Cybersecurity Policy*

PTAM's investment management and advisory (and sub-advisory) business is dependent on devices, services and applications that connect to the internet such as smartphones, email, and cloud computing services. While these services increase efficiencies and revenues, this dependence increases PTAM's chances of being targeted by cyber-attacks. For these reasons, PTAM has adopted a cybersecurity policy to help in identifying, mitigating and protecting against cyber-security threats. Password updates, software updates, firewall protections, physical barriers to entry and limited access to sensitive client data are several of the relevant protections put in place under PTAM's cybersecurity policy to mitigate cyber-related threats. PTAM acknowledges that security threats can never be completely eliminated, and clients remain subject to cyber-related risks.

## Privacy Notice

PT Asset Management, LLC is committed to safeguarding any non-public personal information that you provide to us in connection with our providing (or potentially providing) investment management or advisory (or sub-advisory) services to you. This notice describes how we handle and protect your personal information. Your privacy is our priority.

### **Information We Collect**

We collect personal information about you for business purposes, such as evaluating your financial needs, processing your requests and transactions, informing you about products and services that may be of interest to you, and providing client service. The personal information we may collect about you includes: (a) information you provide to us on questionnaires, agreements, and other forms (such as your name, address, social security number, occupation, assets, and income); and/or (b) information about your transactions with us, our affiliates, and/or others.

### **Protecting Your Information**

Our employees have limited access to your information. They have access only when it will help you do business with us or help us do business with you, including helping you accomplish your financial objectives, such as providing you with a broad range of products and services. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard client information.

### **Disclosure to Nonaffiliated Third Parties**

We may share the personal information described above for business purposes with the following companies not affiliated with us:

- Financial service institutions (such as mutual fund companies, securities brokers, clearing brokers and banks) with whom we have joint marketing agreements (such as agreements to market financial services or products that its affiliate jointly offer, endorse or sponsor); or
- Companies under contract to perform services for us or on our behalf (such as vendors providing data processing, computer software maintenance and development, transaction processing and marketing services).

We will only share your personal information with non-affiliated companies when they agree to uphold and maintain our privacy standards when handling your personal information.

Also, we may disclose personal information to non-affiliated companies and regulatory authorities as permitted by applicable law. For example, we may disclose personal information to cooperate with regulatory authorities and law enforcement agencies and as necessary to protect our rights or property.

### **Accessing and Revising Your Personal Information**

We endeavor to keep our client files complete and accurate. We will give you reasonable access to the information we have about you. Most of this information is contained in account statements or invoices that you may receive from us and questionnaires, agreements, and other forms that you submit to obtain our services. We encourage you to review this information and notify us at 888-282-3220 or via email to [investorrelations@ptam.com](mailto:investorrelations@ptam.com) if you believe any information should be corrected or updated. In addition, if you have a question or concern about your personal information or this notice, please contact us.

## BROCHURE SUPPLEMENT (Part 2B of FORM ADV)

### Education and Business Standards

PT Asset Management, LLC (PTAM) requires that portfolio managers have at least a bachelor's degree including coursework demonstrating financial knowledge. Additionally, PTAM's portfolio managers must have work experience that demonstrates their aptitude for investment management.

### Professional Certifications

PTAM personnel included in this Brochure Supplement have earned certain third-party professional licenses, certifications and credentials as detailed below:

Chartered Financial Analyst® (CFA): Chartered Financial Analysts are certified by CFA Institute to use the CFA designation. CFA® is a registered trademark owned by CFA Institute. According to CFA Institute's website (see [www.cfainstitute.org](http://www.cfainstitute.org)), CFA certification requirements are generally as follows:

- Hold a bachelor's (or equivalent) degree (or be in the final year of a bachelor's degree program) or have equivalent education or work experience.
- Successful completion of the three exam levels of the CFA Program.
- Have at least 4 years of professional work experience (or a combination of professional work and university experience that totals at least four years), including at least 4 years of professional work experience in the investment decision-making process.
- Join CFA Institute as a regular member, which includes adhering to the Member's Agreement and filing a Professional Conduct Statement, in addition to paying annual dues.

Certified Public Accountant (CPA): Certified Public Accountants are licensed by the National Association of State Boards of Accountancy, Inc. (NASBA). The CPA license is issued at the jurisdiction level and, accordingly, requires meeting jurisdiction-specific requirements. CPA licensing requirements vary by jurisdiction, but generally include meeting certain educational requirements, successfully completing all four sections of the Uniform CPA Examination, and having certain accounting-related or other acceptable professional work experience. Many jurisdictions also require minimum continuing professional education.

Certified Financial Risk Manager (FRM)®: A Certified Financial Risk Manager designation is issued by the Global Association of Risk Professionals (GARP). FRM® is a registered trademark owned by GARP. According to GARP's website (see [www.garp.org](http://www.garp.org)), FRM certification requirements are generally as follows:

- Hold a bachelor's (or equivalent) degree (or be in the final year of a bachelor's degree program) or have equivalent education or work experience.
- Successful completion of the two parts of the FRM examination within a 4-year timeframe.
- Have at least 2 years of professional full-time financial risk management work experience within the 10 years prior to completing the second part of the FRM examination.

## G. MICHAEL PLAISS, CFA

### Item 1 - Cover Page

Supervised Person's name and address:

G. Michael Plaiss, CFA  
Senior Portfolio Manager  
PT Asset Management, LLC  
500 West Madison, Suite 470  
Chicago, Illinois 60661  
Tel: (312) 521-1492  
Fax: (312) 521-1592  
Email: [mplaiss@ptam.com](mailto:mplaiss@ptam.com)

**The date of this Brochure Supplement is March 20, 2018.**

**This Brochure Supplement supplements the PT Asset Management, LLC (PTAM) Brochure. You should have received a copy of that Brochure. Please contact [investorrelations@ptam.com](mailto:investorrelations@ptam.com) if you did not receive PTAM's Brochure or if you have any questions about the contents of this Brochure Supplement.**

### Item 2 - Educational Background and Business Experience

Mr. Plaiss, born in 1964, joined PTAM in May 2009. He is a member of PTAM's portfolio management team and focuses on modeling RMBS cash flows and portfolio attribution. Prior to joining PTAM, Mr. Plaiss acquired more than twelve years of experience in managing fixed-income portfolios for banks and insurance companies, including at The Private Bank from 2002 to 2004 and at Strategic Capital Bank from 2004 to 2009. Before that, he spent five years with Kentucky Farm Bureau, where he managed more than \$700 million in municipal bonds, corporate bonds, agency securities and mortgage-backed securities. His background and performance reflect his devotion to the methodology of investing for total return. Mr. Plaiss graduated from Indiana University, Bloomington with a degree in Economics. He is a CFA® charterholder.

### Item 3 - Disciplinary Information

Not applicable.

### Item 4 - Other Business Activities

Not applicable.

### Item 5 - Additional Compensation

Not applicable.

### Item 6 - Supervision

Mr. Plaiss is a member of PTAM's portfolio management team, which meets regularly and reviews portfolio holdings, characteristics, performance and attribution at least monthly, but typically more often than monthly. Mr. Plaiss is supervised by the Board of Managers of PTAM. Philip M. Nussbaum, the Chairman of the Board of Managers of PTAM, can be reached at (312) 521-1000.

## **ANTHONY J. HARRIS, CPA**

### **Item 1 - Cover Page**

Supervised Person's name and address:

Anthony J. Harris, CPA  
Senior Portfolio Manager  
PT Asset Management, LLC  
500 West Madison, Suite 470  
Chicago, Illinois 60661  
Tel: (312) 521-1164  
Fax: (312) 521-1264  
Email: [tharris@ptam.com](mailto:tharris@ptam.com)

**The date of this Brochure Supplement is March 20, 2018.**

**This Brochure Supplement supplements the PT Asset Management, LLC (PTAM) Brochure. You should have received a copy of that Brochure. Please contact [investorrelations@ptam.com](mailto:investorrelations@ptam.com) if you did not receive PTAM's Brochure or if you have any questions about the contents of this Brochure Supplement.**

### **Item 2 - Educational Background and Business Experience**

Mr. Harris, born in May 1975, joined PTAM in February 2009. He is a member of PTAM's portfolio management team and focuses on modeling RMBS cash flows and portfolio attribution. Prior to joining PTAM, he co-founded Six Degrees Capital Management in January 2007, an alternative fixed income investment manager focused on securitized products. From 2001 to 2007, Mr. Harris originated, structured, and invested in securitized products at BMO Capital Markets Corp., a financial services provider. He began his career with PricewaterhouseCoopers and passed the CPA exam in 1998. Mr. Harris received a Bachelor of Business Administration from University of Michigan Ross School of Business with an emphasis in Accounting and a MBA from the University of Chicago Booth School of Business with an emphasis in Finance and Economics.

### **Item 3 - Disciplinary Information**

Not applicable.

### **Item 4 - Other Business Activities**

Not applicable.

### **Item 5 - Additional Compensation**

Not applicable.

### **Item 6 - Supervision**

Mr. Harris is a member of PTAM's portfolio management team, which meets regularly and reviews portfolio holdings, characteristics, performance and attribution at least monthly, but typically more often than monthly. Mr. Harris is supervised by the Board of Managers of PTAM. Philip M. Nussbaum, the Chairman of the Board of Managers of PTAM, can be reached at (312) 521-1000.

## JASON D. APPLESON, FRM, CFA

### Item 1 - Cover Page

Supervised Person's name and address:

Jason D. Appleson, FRM, CFA  
Portfolio Manager  
PT Asset Management, LLC  
500 West Madison, Suite 470  
Chicago, Illinois 60661  
Tel: (312) 521-1832  
Fax: (312) 521-1932  
Email: [jappleson@ptam.com](mailto:jappleson@ptam.com)

**The date of this Brochure Supplement is March 20, 2018.**

**This Brochure Supplement supplements the PT Asset Management, LLC (PTAM) Brochure. You should have received a copy of that Brochure. Please contact [investorrelations@ptam.com](mailto:investorrelations@ptam.com) if you did not receive PTAM's Brochure or if you have any questions about the contents of this Brochure Supplement.**

### Item 2 - Educational Background and Business Experience

Mr. Appleson, born in June 1985, joined PTAM in July 2013 as a Senior Municipal Analyst. In December 2017, he was named a Portfolio Manager of PTAM. Mr. Appleson is a member of PTAM's portfolio management team and focuses on portfolio construction, security selection, credit analysis and bond trading primarily for PTAM's municipal bond funds and separately managed accounts. Prior to joining PTAM, Mr. Appleson was a Credit Risk Manager at the Federal Reserve Bank of New York where he built and reviewed models that stress tested banks' municipal bond portfolios under a variety of macroeconomic scenarios. Prior thereto, Mr. Appleson worked for Alliance Bernstein, where he held a number of positions in fixed income investment management, which included high yield research for the firm's \$30 billion municipal bond platform. Mr. Appleson received a Bachelor of Arts in Finance from Touro College and an MBA from the University of Chicago Booth School of Business with high honors. He is also a CFA® charterholder and a Certified Financial Risk Manager (FRM)®.

### Item 3 - Disciplinary Information

Not applicable.

### Item 4 - Other Business Activities

Not applicable.

### Item 5 - Additional Compensation

Not applicable.

### Item 6 - Supervision

Mr. Appleson is a member of PTAM's portfolio management team, which meets regularly and reviews portfolio holdings, characteristics, performance and attribution at least monthly, but typically more often than monthly. Mr. Appleson is supervised by G. Michael Plaiss, CFA, Senior Portfolio Manager of PTAM. Mr. Plaiss can be reached at (312) 521-1492.