

Adalta Capital Management LLC – Form CRS

Adalta Capital Management LLC (“we”, “our”, or “us”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. Our services and compensation structure differs from that of a registered broker-dealer. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS. The site also provides educational materials about broker-dealers, investment advisers and investing. Information in text boxes below are intended to be conversation starters for you to have with us and are required by the instructions to Form CRS.

What investment services and advice can you provide me?

We provide discretionary asset management services to retail investors, family offices and institutional clients primarily through separately management accounts. This form describes our services to retail investors.

Separate account portfolios are customized for taxable and tax-exempt investors. Investment strategies for each client are developed after completing an examination of the client's financial condition and establishing the client's investment objectives. Such objectives and needs are defined at the onset of a relationship and periodically reviewed thereafter on an ongoing basis.

We manage the investment and reinvestment of clients’ assets including making decisions with respect to all purchases and sales and other transactions of securities.

We generally provide our services on a discretionary basis, which means we have the authority to buy and sell investments in your account without speaking to you prior to doing so. We also provide services on a non-discretionary basis, which means we require your consent before engaging in a course of action. You can place reasonable restrictions on the securities and types of securities that we buy by notifying us, in writing.

We do not limit the scope of the universe of securities that we use in managing client accounts, and our strategies may involve equity and fixed income investments. We may also recommend that you invest in affiliated private investment vehicles that we sponsor and manage.

We generally require a minimum account size of \$1,000,000, although that minimum may be waived.

For more detailed information about our *Advisory Business* and the *Types of Clients* we generally service, please See Items 4 and 7, respectively in our [Form ADV Part 2A](#).

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| <i>Conversation Starter: Given my financial situation, should I choose an investment advisory service? Why or why not?</i> |
| <i>Conversation Starter: How will you choose investments to recommend to me?</i> |
| <i>Conversation Starter: What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</i> |

What fees will I pay?

Our fees are calculated based on a percentage of the client’s assets under management. Such percentage may vary based on the size of the account, the number of a client’s portfolios under management, the type of securities in which an account is invested, and other factors deemed significant by the Firm. All fees are subject to negotiation.

Annual fees for separately managed accounts generally range between 0.75%-1.50% depending on the factors described above. Advisory fees for separately managed accounts are payable on a quarterly basis in advance of each calendar quarter and are based on the aggregate market value of the client's account as of the close of business on the last business day of the prior quarter. Because our fee is based on the amount of your assets under our management, the more assets you entrust us to manage, the more you will pay us for our services. Therefore, we have an incentive to encourage you to increase the amount of assets that you entrust to us.

Your account will be held with a qualified custodian. Custodians generally charge transaction fees for effecting certain securities transactions. In addition, your assets can be invested in mutual funds and ETFs. You will bear your pro rata share of the investment management fees and other fees of the funds, which are in addition to the fees you pay us. These fees and expenses are described in each fund’s prospectus and potentially include a management fee, distribution fee, and other fund expenses. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you

A copy of our Part 2A is available at:

https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=646524

are paying.

Conversation Starter: Help me understand how these fees and costs might affect my investments. If I give you \$250,000 to invest, how much will go to fees and costs, and how much will be invested for me?

For more detailed information about our fees and costs related to our management of your account, please See Item 5 in our [Form ADV Part 2A](#).

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

- * We may recommend a particular custodian from whom we receive support services. This presents a conflict of interest, because our receipt of their support make us more inclined to continue using and recommending them.
- * We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee. If we don't currently manage your account held with your employer's plan, this will increase our compensation.
- * We may recommend that you invest in an affiliated private investment vehicle. Investors bear the management fees and expenses associated with these investments, which in whole or in part, benefit us. In an effort to mitigate this conflict of interest, we disclose it to investors and waive our investment advisory fee on assets invested in these vehicles.

Conversation Starter: How might your conflicts of interest affect me, and how will you address them?

For more detailed information about our conflicts of interest, please review Item 4, 11 and 12 of our [Form ADV Part 2A](#).

How do your financial professionals make money?

Our financial professionals are generally compensated on a salary basis and may receive discretionary bonuses. In the event an employee earns a bonus, they are based on various factors. In addition, certain of our financial professionals are equity owners of the firm, in which case they stand to receive a share of the profits of the firm.

Do you or your financial professionals have legal or disciplinary history? No

We encourage you to visit www.Investor.gov/CRS to research our firm and our financial professionals. Furthermore, we encourage you to ask your financial professional:

Conversation Starter: As a financial professional, do you have any disciplinary history? If so, for what type of conduct?

Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer at any time to request a current copy of your Form ADV Part 2A or our *relationship summary*. Our Chief Compliance Officer may be reached by phone at (212) 832-5135.

Conversation Starter: Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

A copy of our Part 2A is available at:

https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=646524