

Part 2A of Form ADV: Firm Brochure
Item 1 Cover Page

Pledge Capital LLC

555 Madison Avenue, 5th Floor
New York, NY 10022

www.pledge.capital

This brochure provides information about the qualifications and business practices of Pledge Capital LLC. If you have any questions about the contents of this brochure, please contact us at (516) 578-1154 and/or edward.chang@pledge.capital.

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. Additional information about Pledge Capital LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Pledge Capital LLC's registration as an investment adviser does not imply a certain level of skill or training.

Effective Date: January 7, 2021

Item 2 Material Changes

Last Annual Update: N/A

Summary of Material Changes

This section will be updated as required in the event any material changes are made to the Pledge Capital LLC Firm Brochure (the “Brochure”):

- Pledge Capital LLC is a new investment advisory firm, so there are no material changes to report at this time.

Delivery Requirements

We will provide a summary of any material changes to this Brochure to our clients at least annually, within 120 days of our fiscal year end. Furthermore, we will provide our clients with other interim disclosures about material changes as necessary.

A complete copy of our current Form ADV Part 2A and/or 2B may be requested free of charge by contacting us by telephone at (516) 578-1154 or by email at edward.chang@pledge.capital.

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Item 4 Advisory Business

FIRM DESCRIPTION

Pledge Capital LLC (hereinafter referred to as “Pledge Capital”, “we”, “us”, or “our firm”) is a New York limited liability company with its principal office located in New York, NY and has been in business as a registered investment adviser since 2018. The principal owner of the firm is Edward Chang.

As a registered investment adviser, we are a fiduciary to you, our client, meaning we have a fundamental obligation to act and provide investment advice that is in your best interest. Should any material conflicts of interest exist that might affect the impartiality of our investment advice, they will be disclosed to you in this Brochure. We urge you to review this Brochure carefully and consider our qualifications, business practices and the nature of our advisory services before becoming our client.

As of January 7, 2021, Pledge Capital manages \$6,485,000 of client assets on a discretionary basis and \$685,000 on a non-discretionary basis.

ADVISORY PROGRAMS

Pledge Capital provides investment management services to our clients. In connection with our investment management services, Pledge Capital primarily provides advice with respect to equities (common stocks and equivalents), exchange traded funds, and where appropriate, options contracts and foreign currencies. Our advice is generally limited to these types of investments, but we reserve the right to advise or not advise our clients on certain investments should we deem it appropriate based on their particular circumstances.

As a general rule, we do not tailor management of client accounts to individual client needs. Clients may not impose restrictions on investing in certain securities or types of securities as it may have an adverse effect on our ability to manage their account(s). The investments recommended to our clients generally do not vary from one client to another, and as we only have a single investment strategy that will be employed for all of our advisory clients, should we deem our investment strategy inappropriate for any particular client based on their risk tolerance, we will not manage the client’s account. Please see Item 10 (Methods of Analysis, Investment Strategies, and Risk of Loss) of this Brochure for further details about our investment strategies and associated risks.

Pledge Capital enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our advisory services (the “Engagement Agreement”). The Engagement Agreement sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Engagement Agreement may be

terminated by either party in writing at any time by giving thirty (30) days signed written notice to the other party.

Our advisory services are offered through certain individuals who have registered with Pledge Capital as its investment adviser representatives (“advisors”). Clients should refer to such advisor’s Form ADV Part 2B (the “Brochure Supplement”) for more information about their qualifications.

Our advisors offer the advisory services described below to our clients:

Discretionary Investment Management Services. Pledge Capital provides discretionary investment management services in which clients grant our firm the ability to utilize discretion in managing the Client’s investment account. Specifically, the client grants our firm full power to direct, manage, and change the investment and reinvestment of the assets in the account, the proceeds and any additions. Our authority over the client’s investments includes discretionary authority to purchase and sell securities for the client’s account, to submit aggregated trade orders for the client and others in order to obtain best execution, and to give instructions concerning these transactions to the qualified custodian with which the client’s account(s) are held. We are not required to first consult with the client before placing any specific order or obtain specific authorization from the client for each specific transaction. Pledge Capital receives discretionary authority from our clients through our Engagement Agreement at the outset of our advisory relationship.

Non-Discretionary Investment Management Services. Pledge Capital provide non-discretionary investment management services where we provide advice and recommendations to the client to assist them in making investment decisions to meet their investment goals and objectives. We will first consult with the client before placing any specific order or obtain specific authorization from the client for each specific transaction. We will monitor the client’s account on an ongoing basis and conduct periodic portfolio reviews with the client to discuss their investment needs, goals and objectives.

Wrap Fee Programs. Pledge Capital does not participate in any wrap fee programs.

Important Note: It is the client’s responsibility to ensure that Pledge Capital is promptly notified if there are ever any significant changes to their financial situation, goals, objectives or needs so we can review our previous recommendations and make any necessary adjustments.

Item 5 Fees and Compensation

ADVISORY FEES

The following information describes how Pledge Capital is compensated for the advisory services we provide to our clients. The specific manner in which fees are charged and the compensation we receive may differ between clients depending upon the individual Engagement Agreement with each client. Pledge Capital reserves the right to negotiate our compensation with clients depending on the scope of our advisory relationship, and we may charge higher or lower fees than are available from other firms for comparable services. Fees are negotiated with each client based on a variety of factors, such as the amount of assets being managed, future deposits to the accounts under our management, the level and type of services provided and/or the nature of the relationship with the client

Discretionary Investment Management Fees. In consideration for providing discretionary investment management services and for qualified clients only, Pledge Capital will charge an annual asset-based fee and a performance-based profit allocation. The annual asset-based fee will be up to 0.65% based on the client's assets under management. The annual asset-based fee will be billed to clients on a quarterly basis in arrears. The performance-based profit allocation charged is up to 15.00% based on the capital appreciation in the client's account; provided, however, that such performance-based compensation is also subject to a loss carry-forward provision, also known as a "high water mark," so that the performance-based compensation will only be deducted when the client's account value at year end, measured on a cumulative basis and net of any losses, exceeds the highest historic account value within a five (5) year look-back period. Should the account drop in value, then we will not receive performance-based compensation until the previous high water mark is met. The performance fee is deducted from the client's account at the end of each year.

Non-Discretionary Investment Management Fees. In consideration for providing non-discretionary investment management services, Pledge Capital charges an annual asset-based fee of up to 2.50% based on the client's assets under management. Fees are billed to clients on a quarterly basis in arrears.

Fee Deduction. Clients must authorize the deduction of our fees from their managed accounts by the qualified custodian, Interactive Brokers, and choose the method by which our fees will be calculated. Clients may elect to have our advisory fees calculated by our firm or Interactive Brokers and deducted from their accounts. The client makes this election when applying for their account at Interactive Brokers or at any time, or cancel the existing arrangement. All fees will be supported by an invoice to the client itemizing the fee.

Additional Fees and Expenses. Clients will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or qualified custodian through which account transactions are executed. For more

information on our brokerage practices, please refer to Item 12 (Brokerage Practices) of this Brochure.

The fees that clients pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (described in each fund's prospectus) to their shareholders. The fees charged directly by mutual funds and exchange traded funds will typically include a management fee and other fund expenses.

To fully understand the total costs associated with their investment portfolio, clients should review all the fees charged by mutual funds, exchange traded funds, our firm and others.

Termination. The Engagement Agreement with our clients may be terminated by either party at any time upon thirty (30) days written notice. Upon termination of our status as the client's investment adviser, Pledge Capital will not take any further action with respect to the client's account(s) unless specifically notified by the client in writing. Clients will be responsible for instructing their custodian and monitoring their account for the final disposition of assets.

Upon receipt of a proper notice of termination from the client, as described in the Engagement Agreement, any earned unpaid fees will be billed on a pro-rata basis based on the amount of work performed by us up to the point of termination.

Brokerage Commissions. Pledge Capital does not receive brokerage commissions from the sale of securities or other investment products. Our compensation for recommending securities and investment products is limited to the advisory fees described above.

Any material conflicts of interest between clients and Pledge Capital or our employees are disclosed in this Brochure. If at any time, additional material conflicts of interest develop, Pledge Capital will provide our clients with written notification of those material conflicts of interest or an updated Brochure.

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

PERFORMANCE BASED FEES

Pledge Capital may enter into performance-based or incentive fee arrangements subject to Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and in accordance with the exemption set forth in Rule 205-3 under the Advisers Act, while also taking into consideration the investment objectives of the client, as well as what we deem to be reasonable performance goals.

SIDE-BY-SIDE MANAGEMENT

“Side-by-side management” refers to the simultaneous management of multiple types of client accounts. Our advisors may be responsible for the management of performance-based fee accounts and the management of accounts with asset-based fee arrangements. This creates a potential conflict of interest since we may have an incentive to favor accounts for which we receive performance based fees over other accounts in the allocation of investment opportunities. Pledge Capital has adopted procedures to ensure that clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 Types of Clients

TYPES OF CLIENTS

Pledge Capital offers investment advisory services to a diversified group of clients including individuals, high net worth individuals, trusts, estates, pension and profit sharing plans (other than plan participants), charitable/non-profit organizations, corporations and other business entities, and managed investment pools (e.g. hedge funds). Client relationships may vary in scope and length of service.

ACCOUNT REQUIREMENTS

Pledge Capital generally requires a minimum account balance of \$150,000 for our investment management services. However, Pledge Capital in its sole discretion may waive or lower our minimum account balance requirement based on various criteria (i.e., anticipated future additional assets to be managed, related accounts, account composition, negotiations with the client, etc.).

For performance-based fee arrangements, clients must meet the definition of a “qualified client” under Rule 205-3 of the Advisers Act.

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

METHODS OF ANALYSIS & INVESTMENT STRATEGIES

Pledge Capital employs a value-oriented investment strategy with a very strong growth bias. We look to invest in companies trading below their intrinsic value, primarily by buying under-appreciated growth stories. We like businesses with identifiable competitive advantages, a secular growth story, and strong returns on invested capital. We concentrate our capital in these businesses when we believe all three of these traits are improving. We also invest in businesses that trade at a discount to identifiable assets (especially when those assets are appreciating in value).

We employ a “bottom-up” research process to identify potential investments, paying particular attention to improving fundamentals. Using this approach, we focus on fundamental analysis of individual securities that includes but is not limited to examination/assessment of company profitability, financial strength, competitive advantages, intrinsic value, capital allocation policies, and management competence.

Our methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Risk management is integrated into our process through the use of appropriate risk levels on each position. The value of securities used in our strategies may go up or down in response to factors not within our control, including but not limited to the status of an individual company underlying a security, or the general economic climate. When investing client portfolios, we seek to maintain discipline and objectivity by focusing on the client’s financial goals and objectives and avoiding trading on short term uncertainties such as position specific news events.

RISK OF LOSS

Any investment carries a certain degree of risk, including a possible loss of principal that clients should be prepared to bear. The value of securities used in all of our strategies may go up or down in response to factors not within our control, such as but not limited to the status of an individual company underlying a security, or the general economic climate. There is no guarantee that any of the investment strategies that our firm employs will outperform the investment strategies used by other firms. Past performance is no guarantee of future results.

Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment. Clients should understand that investment decisions made for their account by the firm are subject to various market, economic, political and business risks, and that those investment decisions will not always be profitable.

All investment activities include a risk of loss that Clients should be prepared to bear. The below listing of investment risks may not be all-inclusive but should be considered carefully:

Market Risk: Security prices may decrease due in response to direct and indirect events and market conditions, usually caused by factors independent of the specific attributes of the investment security.

Inflation Risk: Rising inflation reduces the purchasing power of the underlying currency, which is the dollar for U.S. based investments.

Reinvestment Risk: This is the risk that future gains may be reinvested at less favorable (lower) rates of return than currently available.

Interest-Rate Risk: Changes in interest rates may result in fluctuations in the prices of other investment vehicles.

Currency Risk: Investments in non-U.S. based assets are subject to additional changes in valuation due to changes in currency exchange rates.

Risks Specific to Options Trading: Trading options is highly speculative in nature, involves a high degree of risk and is not suitable for all clients. Options may involve certain costs and risks such as liquidity, interest rate, market, credit, and the risk that a position could not be closed when most favorable. Option contracts are traded for a specified period of time and have no value after expiration. Trading options may result in the total loss of premiums and transaction costs.

Trading halts in the underlying security, or other trading conditions (for example, volatility, liquidity, systems failures) may cause the trading market for an option (or all options) to be unavailable, in which case, the holder or writer of an option would not be able to engage in a closing transaction and an option writer would remain obligated until expiration or assignment. Even if the market is available, there may be situations when options prices will not maintain their customary or anticipated relationships to the prices of the underlying interests and related interests. An options market may sometimes impose restrictions on the particular types of options transactions, such as opening transactions or uncovered writing transactions. Disruptions in the markets for the underlying interests could also result in losses for options investors. This is not intended to be an exhaustive presentation of all risks associated with trading options and clients should review the current Options Clearing Corporation (“OCC”) disclosure document “Characteristics and Risks of Standardized Options” and any options risk disclosures provided by the broker-dealer for all client trades, Interactive Brokers.

Item 9 Disciplinary Information

REQUIRED DISCLOSURES

Our firm and our management persons have not been involved in any legal or disciplinary events that would have a material adverse effect on the integrity of our management or the services we provide to our clients.

Item 10 Other Financial Industry Activities and Affiliations

OUTSIDE BUSINESS ACTIVITIES

Neither Pledge Capital nor any of its employees are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

AFFILIATED ENTITIES

Pledge Capital does not have relationships or arrangements with any affiliated entities that create a potential conflict of interest for our clients.

OTHER INVESTMENT ADVISERS

Certain third-party investment advisers may act as a solicitor for Pledge Capital and for these services receives a portion of the fees paid by clients to Pledge Capital. All fees third-party investment advisers may receive from Pledge Capital and the separate written disclosures made to clients regarding these fees comply with all applicable federal and/or state statutes and rules. The written disclosures clients are provided with include a copy of Pledge Capital's Form ADV Part 2A and any relevant brochures, a disclosure statement detailing the fees third-party investment advisers acting as solicitors may be paid and a copy of Pledge Capital's privacy policy.

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

CODE OF ETHICS

Pledge Capital has adopted a Code of Ethics (the "Code") that sets forth a standard of business conduct for our firm and all our associated persons. The purpose of the Code is to set out ideals for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence for our firm and our associated persons to espouse in the interest of our clients and investor protection. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees of Pledge Capital are required to handle their personal securities transactions in such a manner as to avoid any actual or potential conflicts of interest or any abuse of position of trust and responsibility. Annually, we require all employees to certify that they have read, understand and will comply with the Code.

Clients and prospective clients may request a full copy of our firm's Code of Ethics by contacting our firm in writing at Pledge Capital LLC, 555 Madison Avenue, 5th Floor, New York, NY 10022 or calling our firm at (516) 578-1154.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Pledge Capital and/or our advisors may invest in the same securities that are recommended to and/or purchased for our clients. Pledge Capital and/or our advisors do not recommend securities to our clients in which Pledge Capital and/or our advisors has a material financial interest. Pledge Capital has adopted procedures designed to assure that the personal securities transactions, activities and interests of Pledge Capital and/or our advisors will not interfere with our ability to make investment decisions in the best interest of our clients.

PERSONAL TRADING

Pledge Capital maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by our firm or any access persons of our firm with regards to their personal securities transactions. Personal trading activities are continually monitored to reasonably prevent conflicts of interest between our firm and our clients.

Item 12 Brokerage Practices

SELECTION OF BROKER-DEALERS

Securities transactions are generally executed through Interactive Brokers, LLC. (“Interactive Brokers”), member FINRA/SIPC/NYSE. Interactive Brokers maintains custody of our clients’ assets and effects securities transactions for our investment management clients’ accounts. Pledge Capital is independently owned and operated, and is not affiliated with or a related person of Interactive Brokers.

Pledge Capital considers a number of factors prior to recommending a particular broker-dealer to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverage. The commissions charged by Interactive Brokers are competitive with similarly situated retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

Research and Other Soft Dollar Benefits. Interactive Brokers offers products or services other than execution that assist our firm in managing and administering client accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), facilitate payment of our fees from clients’ accounts,

and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Interactive Brokers.

Pledge Capital may also receive services from Interactive Brokers or its affiliates that are intended to help our firm manage and further develop our business. These services may include registration support through Greenwich Compliance, website design and technology support. Interactive Brokers also has arrangements with various product vendors, which enable our firm to purchase their products at a discount. These products may include such items as: client reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

Pledge Capital does not participate in any commission-sharing arrangements or receive soft dollar credits. While the benefits we receive from Interactive Brokers do not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the abovementioned products and services, and not solely on our clients' interest in receiving most favorable execution. Nonetheless, we seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Our firm routinely compares order execution disclosure information at Interactive Brokers to other broker-dealers to ensure that Interactive Brokers remains competitive in providing best execution for our clients' securities transactions. Although the brokerage commissions and/or transaction fees charged by Interactive Brokers may be higher or lower than those charged by other broker-dealers, in seeking best execution for our clients our firm strives to ensure that our clients pay brokerage commissions and/or transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

Brokerage for Client Referrals. Pledge Capital does not consider broker-dealer or third-party referrals in selecting or recommending broker-dealers to our clients as this would create a conflict of interest.

Directed Brokerage. While Pledge Capital generally recommends that clients direct transactions through certain broker-dealers, we do not have discretionary authority to determine the broker-dealer to be used for the purchase or sale of securities for client accounts or the commission rates paid to a broker-dealer for client securities transactions.

In rare cases, Pledge Capital may utilize other broker-dealers when requested by the client. Clients of Pledge Capital must be aware that if they direct us to use a particular broker-dealer that it may limit our ability to achieve best execution or limit their participation in block trading. As a result, clients may pay higher commissions, have higher transaction costs, or receive less

favorable prices. In situations where the client directs us to effect their transactions through a particular broker-dealer, we require such directions to be in writing.

TRADE AGGREGATION

Investment decisions deemed appropriate for one client may also be deemed appropriate for other clients so that the same security may be purchased or sold at or about the same time for more than one client. When this is the case our firm may, but is not obligated to, aggregate similar trades for multiple clients and execute the trade as a single block.

When transactions are so aggregated, the securities purchased or sold will be allocated in a fair and equitable manner. Our trade allocation procedures seek to allocate investment opportunities among our clients in the fairest possible way taking into account their best interests. These procedures ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Transactions are usually aggregated to seek a more advantageous net price and/or to obtain better execution for all clients. Nevertheless, there is no assurance that the aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. Also, it is possible that we may not aggregate trades in circumstances where it would be beneficial to do so.

TRADE ERRORS

From time to time, our firm may make a trade error when servicing a client's account. When this occurs, we will correct the trade as soon as we discover the error. Trading errors will be corrected at no cost to clients. If there is a cost associated with this correction, such cost is borne by Pledge Capital and not the client. Note that we do not credit accounts for market losses unrelated to our error.

Item 13 Review of Accounts

ACCOUNT REVIEWS

Pledge Capital conducts account reviews on at least a quarterly basis for clients subscribed to our investment management services. Additional reviews may be triggered by changes in the client's risk profile, activity in the account, economic and market conditions, or specific arrangements with the client.

ACCOUNT REPORTS

Those clients to whom Pledge Capital provides investment management services receive at least quarterly reports from our firm summarizing their account(s) and investment results. Reports may be furnished in writing or electronically as requested by the client. Clients are urged to compare the account statements they receive from their custodian to any written reports received from our firm.

Clients have direct and continuous access to their account information and related documents via the password-protected website of the qualified custodian with which their accounts are held.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws.

All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of the individuals is the other firm's responsibility.

It is our firm's policy not to compensate clients for referring potential clients to our firm, because the client would be considered a solicitor and would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

OTHER COMPENSATION

Pledge Capital does not receive an economic benefit from anyone who is not a client in exchange for our provision of investment advice or other advisory services.

Item 15 Custody

CUSTODY OF CLIENT FUNDS AND SECURITIES

Interactive Brokers is the qualified custodian and maintains custody of client funds in separate brokerage account(s) for each client under the client's name. Pledge Capital personnel may assist the client in preparing paperwork to open a new brokerage account at Interactive Brokers, but only the client is permitted to authorize, by their signature, the opening of the account. Interactive Brokers sends an account-opening letter to each client at their physical mailing address after the account is approved.

Clients can access daily, monthly and annual account statements as well as daily trade confirmations through a password protected portion of Interactive Brokers' website, www.interactivebrokers.com. Clients should also expect to receive quarterly account summaries from the qualified custodian by first-class mail. Clients should carefully review the account statements and summaries received from the qualified custodian(s) and compare such official custodial statements to any account reports provided by Pledge Capital. Any client that does not receive an account statement or summary from the qualified custodian should call our firm immediately so that we can arrange to have another statement sent by the custodian.

Clients can also access information concerning their account(s) and access (and generally change) the settings for their brokerage account online on the Interactive Brokers website at www.interactivebrokers.com.

Item 16 Investment Discretion

DISCRETIONARY AUTHORITY

Pledge Capital manages client securities portfolios on a discretionary basis. Pledge Capital is granted limited discretionary authority in writing by the client at the outset of the advisory relationship. This limited discretionary authorization gives Pledge Capital the authority to manage the client's investment assets at our firm's sole discretion and without consulting with the client in advance, subject to the investment objectives, guidelines and restrictions set by the client. This authorization will remain in full force and effect until we receive a written termination notice of the Engagement Agreement from the client.

Pledge Capital does not have discretionary authority to determine what broker-dealer to use or the amount of commissions that are charged by the broker-dealer or custodian.

Item 17 Voting Client Securities

AUTHORITY TO VOTE CLIENT PROXIES

Pledge Capital does not accept authority from clients with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held in client portfolios. The qualified

custodian holding clients' assets will send all such proxy documents it receives to the client so that the client may take whatever action the client deems appropriate. Pledge Capital does not offer clients any consulting assistance regarding proxy issues.

Item 18 Financial Information

REQUIRED DISCLOSURES

As previously discussed in this brochure, Pledge Capital may accept limited discretionary authority when providing investment management services if agreed upon in writing with the client. Pledge Capital does not require or solicit prepayment of fees from our clients.

Pledge Capital has no financial commitments that would impair our firm's ability to meet our contractual and fiduciary commitments to our clients, and has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

EXECUTIVE OFFICERS AND MANAGEMENT PERSONS

Name:	Edward Chang
Year of Birth:	1989
Education:	Masters in Accounting; 2011 New York University, Leonard Stern School of Business
	Bachelors in Finance and Accounting; 2011 New York University, Leonard Stern School of Business
Experience:	Managing Partner Pledge Capital LLC March 2016 – Present
	Associate Analyst UBS Jan 2014 – Feb 2016
	Senior Consultant Deloitte & Touche

OUTSIDE BUSINESS ACTIVITIES

Please refer to Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure for more information.

PERFORMANCE-BASED FEES

Please refer to Item 6 (Performance-Based Fees and Side-By-Side Management) of this Brochure for more information. Performance-based fees may create an incentive for an advisor to recommend investments that carry a higher degree of risk to the client.

LEGAL OR DISCIPLINARY EVENTS

Neither Pledge Capital nor our management persons have been involved or been found liable in any arbitration claims alleging damages in excess of \$2,500 or been involved or been found liable in any civil, self-regulatory organization, or administration proceeding.

ISSUERS OF SECURITIES

Neither Pledge Capital nor our management persons have any relationships or arrangements with any issuers of securities.

Form ADV Part 2B: Brochure Supplement

Pledge Capital LLC

555 Madison Avenue, 5th Floor
New York, NY 10022

www.pledge.capital

This brochure supplement provides information about our supervised persons that supplements the Pledge Capital LLC Firm Brochure. You should have received a copy of that Brochure. Please contact our firm if you did not receive Pledge Capital LLC's Firm Brochure or if you have any questions about the contents of this supplement.

Additional information about the supervised persons mentioned in this brochure supplement is available on the SEC's website at www.adviserinfo.sec.gov.

Effective Date: January 7, 2021

SUPERVISED PERSONS: Edward Chang

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name: Edward Chang

Year of Birth: 1989

Education: Masters in Accounting; 2011
New York University, Leonard Stern School of Business

Bachelors in Finance and Accounting; 2011
New York University, Leonard Stern School of Business

Experience: Managing Partner
Pledge Capital LLC
March 2016 – Present

Associate Analyst
UBS
Jan 2014 – Feb 2016

Senior Consultant
Deloitte & Touche
Sept 2011 – Dec 2013

DISCIPLINARY INFORMATION

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

OTHER BUSINESS ACTIVITIES

Mr. Chang is not actively engaged in any other business activities or occupations that provide a substantial source of his income or involve a substantial amount of his time.

ADDITIONAL COMPENSATION

Mr. Chang does not receive any additional compensation, apart from his or her regular salary and bonuses, that is based, all or in part, on the number or amount of sales, client referrals, or new accounts. Mr. Chang does not receive any economic benefit from anyone who is not a client for providing advisory services.

SUPERVISION

Mr. Edward Chang is the sole principal and Chief Compliance Officer (“CCO”) of our firm and as such has no internal supervision placed over him. He is, however, bound by our firm’s Code of Ethics. The CCO may be contacted by telephone at (516) 578-1154 or by email at edward.chang@pledge.capital.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Mr. Chang has not been involved or been found liable in any arbitration claims alleging damages in excess of \$2,500, in any civil, self-regulatory organization, or administration proceeding, or been subject of any bankruptcy petition.