

# Form ADV Part 2A

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## Uniform Application for Investment Adviser Registration

### **SHEPHERD KAPLAN KROCHUK LLC™**

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This brochure provides information about the qualifications and business practices of Shepherd Kaplan Krochuk LLC. If you have any questions about the contents of this brochure, please contact us at 617-896-1600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Shepherd Kaplan Krochuk LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply a certain level of skill or training.

**Item 2: Material Changes**

There were no material changes to this document since the last annual update of SKK’s brochure, which was dated March 31, 2023.

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**Item 4: Advisory Business**

Shepherd Kaplan Krochuk, LLC (Shepherd Kaplan Krochuk, SKK, or us/we) has been in business since 2001. It was formerly named GRT Capital Partners, LLC, and changed its name in November 2017 when it combined with Shepherd Kaplan LLC, a Boston-based registered investment adviser. As a result of the combination, Shepherd Kaplan LLC (SK) became a majority-owned and wholly controlled subsidiary of SKK. The Management Board of SKK is comprised of David Shepherd, David Kaplan, Timothy Krochuk, Stephen Brackett, and Brian Lockhart, who together indirectly own the company. For ease of reference these individuals may also be referred to as “Principals.” The Principals are also members of SKK Group, LLC, which serves as the managing member of the general partner or manager of a number of private investment funds sponsored and managed by SKK. Stephen Brackett is President and Co-Head of Alternative Investments at SKK, and Tim Krochuk is also Co-Head of Alternative Investments. Timothy Krochuk was also a member and founder of GRT Capital Partners, LLC. David Shepherd and David Kaplan, who were the founders of SK, remain its Co-CEOs and Co-Chief Investment Officers, and as such are primarily responsible for managing the wealth management services provided by SKK. Brian Lockhart is CEO and CIO of Peak Capital Management, LLC (PCM), an SEC-registered investment adviser based in Greenwood Village, Colorado which was acquired in February 2020 by SKK. Effective March 2023, Bayard Dodge replaced David Kaplan as Chief Compliance Officer of SKK and SK.

SKK is the overarching adviser of all of the clients of the firm, including asset management clients directly advised by SKK and the wealth management clients sub-advised by SK, but excluding PCM.

Readers who are primarily interested in the wealth management services provided by SK should also read SK’s separate Form ADV Part 2A brochure available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Similar to the description in that brochure regarding SK’s sub-advisory services, SKK offers investment advice to clients realizing certain forms of potentially taxable income arising from their disposition of interests in Qualified Small Businesses, as that term is defined in 26 U.S.C. § 1202, *et seq.* While SKK does not provide tax advice, it provides investment advice concerning investments that may be of interest to investors who expect to receive proceeds of a sale of interests in a Qualified Small Business, and wish to invest in one or more successive Qualified Small Businesses, with the objective of facilitating certain tax benefits pursuant to 26 U.S.C. § 1202, *et seq.*

Readers who are primarily interested in the asset management advisory services provided by SKK directly should read this Form ADV Part 2A brochure.

Although SKK is the Managing Member and sole owner of PCM, PCM is currently operated as a separate advisory business from both SKK and SK, and this brochure does not address the services provided by PCM to its clients. Readers who are primarily interested in the investment advisory services provided by PCM directly should read PCM’s separate Form ADV Part 2A brochure available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

In providing asset management services, SKK gives advice as to the investment of funds on the basis of the particular needs of its fund clients. In the case of institutional investors, unless otherwise agreed, these services are offered to the institution, such as private investment funds, pension plans, trusts, a closed-end registered investment company (“RIC”), and other institutions that are clients of SKK, and not directly to the investors, limited partners, members, participants, or clients of such institutions. These accounts are generally referred to as asset management accounts in this brochure. SKK can also provide regular and continuous advisory services to high net-worth individuals, which are generally referred to as wealth management accounts in this brochure. In both asset management and wealth management accounts, SKK considers the specific investment objective and strategies, as well as guidelines and restrictions, established for each client account and tailors its advisory services accordingly. SKK normally retains full investment

discretion to buy and sell securities and otherwise make investment decisions for asset management accounts, such as private funds and investment companies, that it manages directly. SKK typically provides investment advisory services to its wealth management clients on a non-discretionary basis. In either case, clients may impose restrictions on investing in certain securities or types of securities.

As of December 31, 2023, SKK managed client assets of approximately \$ 1,360,793,846 on a discretionary basis and \$ 7,544,898,902 on a non-discretionary basis for a total of \$ 8,905,692,748.

In addition to the other services, SKK may, in appropriate circumstances, provide certain wealth management clients with information and/or advice regarding investments in SKK's own sponsored, private investment funds including private equity funds and private real estate funds, as well as the RIC for which it serves as adviser. Such investments present conflicts of interest, as discussed in Item 11 of this brochure.

SKK is currently winding down or has fully wound down the private investment funds and separately managed accounts it advises that employ or employed its various hedge fund strategies, including private funds and separately managed accounts that previously followed the Topaz, Value, Closed End Opportunities and Energy strategies. These strategies are no longer material to SKK's advisory business, although certain private investment funds may still hold assets subject to that fund's liquidation process and may still be considered advisory clients of SKK. These funds have completed their final liquidating audits and distributions. Any remaining assets in these funds have no present value and the funds have no investors other than the SKK-affiliate managing entities.

SKK does not participate in "wrap fee" programs.

Additional information regarding the RIC is found in the RIC offering documents.

## **Item 5: Fees and Compensation**

### **I. Fees and Compensation on Wealth Management Accounts Sub-advised by SK**

#### **A. Institutional Clients**

Fees are either a flat fee negotiated with the client or are based on assets under management, generally including securities and cash, and plan type, and in some cases include a minimum annual fee. Annualized fees are set forth in the client's management agreement. Percentage based fees generally range from 5 to 50 Basis Points (bps, 1 bps = .01%) and are negotiated on an individual basis. In some cases, institutional services provided to businesses or entities held by private wealth management clients may be provided for fees that resemble the fees negotiated by the private wealth management clients, and the institutional fees may depart from the range above as a result. Generally, bills for services are issued on a quarterly basis in advance. Clients in certain instances also pay an initial negotiated consulting fee. If applicable, there is sometimes an additional fee for conducting a vendor search for a custodian or administrative record keeper. Clients approve invoiced fees prior to payment.

Fees are either deducted from client-designated accounts or are billed to the client and paid separately. At the time of client relationship termination, any fees received for services not yet performed will be fully refunded on a pro-rated basis.

#### **B. Private Clients**

Fees are generally assessed based on assets under management and include a minimum fee in particular situations. Annualized fees are set forth in the client's management agreement. They generally range from 40 to 100 Basis Points (bps, 1 bps = .01%), but in the case of investment advice related to Qualified Small Business investments discussed in Item 4, which are not made within the asset management structures

established by the Firm, fees of approximately 175 Basis Points (1.75%) are charged on assets committed to such an investment strategy, and are negotiated on an individual basis. In some cases, this fee is charged in addition to asset management fees related to investments affiliated with SKK, in circumstances where the client is advised of the additional fee and agrees in advance to its application. With respect to advice concerning Qualified Small Business investments, SKK also reserves the right to charge fixed upfront fees to cover due diligence, research, or analytical work in some situations, such as when SKK is asked to perform extensive work reviewing potential investments for such a Qualified Small Business investment strategy. Generally, bills for services are issued on a quarterly basis in advance. Clients also pay a negotiated initial consulting fee, travel expenses, family office service fees and special project fees in particular situations.

In some limited circumstances, a sophisticated private client agrees to a performance-based fee that both parties deem appropriate. In such cases, both parties agree that the fee will include a portion of the return on the client's investments. Performance-based fee arrangements raise potential conflicts of interest, which are further discussed in Item 6.

Recommendations that clients purchase or sell securities using borrowed money (i.e., margin accounts or lines of credit) create a potential conflict of interest. This conflict occurs because advisory fees are based on the total market value of the securities in the clients' accounts. A margin debit balance does not reduce the total market value of securities on which a client will be billed. By using borrowed money to purchase securities, the total market value of an account will be higher, which results in a higher advisory fee.

Fees are either deducted from client-designated accounts, or clients choose to be billed and pay fees separately. On a quarterly basis, clients receive an invoice with details of their assets as of quarter end and the fees charged for each account. At the time of client relationship termination, any fees received for services not yet performed will be fully refunded on a pro-rated basis.

#### C. Endowment and Foundation Clients

Fees are either a flat fee or are based on assets under management and include a minimum fee in certain instances. Annualized fees are set forth in the client's management agreement. They generally range from 20 to 100 Basis Points (bps, 1 bps = .01%) and are negotiated on an individual basis. Generally, bills for services are issued on a quarterly basis in advance. Clients also pay an initial consulting fee if agreed upon.

Fees are either deducted from client-designated accounts, or clients choose to be billed and pay fees separately. On a quarterly basis, clients receive an invoice with details of their assets as of quarter end and the fees charged for each account. At the time of client relationship termination, any fees received for services not yet performed will be fully refunded on a pro-rated basis.

#### D. Other Fee Information

Clients with investments in private funds (including those offered by SKK) will normally be charged a management fee and other expenses by the private fund. The manager, general partner, or investment manager also charges, if agreed, a performance fee which is based on a fund's net profits.

Any SKK wealth management client who decides to invest in one or more of SKK's private fund offerings or certain other investments in which SKK or its affiliates have a financial interest, will generally receive some discount or waiver of the wealth management fee and/or fund asset management fees on the same asset while they remain clients of the firm. The potential for SK and/or SKK and their related parties to benefit from investments made in those private equity and real estate funds or other entities presents a potential conflict in selecting such investments to recommend to clients. SKK believes that these conflicts

are mitigated by its investment process, fee adjustments and disclosures. SKK will provide disclosures regarding conflicts and potential conflicts to any clients to which it recommends such investments and otherwise as necessary, in addition to the disclosures provided in this brochure.

Clients are also subject to fees charged by others such as custodians, broker-dealers and/or investment managers. Fees include custodial fees, brokerage commissions or other fees or charges associated with securities transactions, mark-ups or mark-downs in principal transactions, deferred sales charges, wire transfer or related processing fees or other charges mandated by law or regulation.

Mutual fund expenses, including exchange traded funds, in which account assets are invested by SKK or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which the account will be charged separately from the fee paid for advisory services.

Please see Item 12 for additional information regarding brokerage arrangements.

## II. Fees and Compensation for Asset Management Accounts Advised Directly by SKK

### A. Advisory Fee for Private Investment Funds

SKK manages the assets of private investment funds organized by SKK or its affiliates (“SKK Funds”). The fees paid by such private investment funds are described in their offering materials and vary depending on the objectives and strategies of a particular fund. The private investment funds generally pay a fee for advisory services rendered and certain expenses incurred over the entirety of the fund term, comprised of one or more components depending on the structure and portfolio of the fund. Compensation to SKK and its affiliates typically includes a fixed percentage fee component and/or a performance-based incentive allocation component. Funds following SKK's venture capital strategies are also typically subject to an incentive allocation of 20%, but that may vary with the particular funds and strategies to which it is applied. Funds pursuing private equity, real estate, opportunistic, or other strategies have other fee structures depending on the market and structure of the strategy. Details of the fee structure of any SKK fund are available in the offering materials of that fund, and should be consulted by interested investors. Fees are waived or reduced for fund investors that are members, principals, employees, or affiliates of SKK, friends and relatives of such persons, and others, including certain large or strategic investors. SKK wealth management clients are also often offered fee structures different than those offered to non-clients.

In addition to fees received by SKK for its management of a fund, in some cases SKK may receive compensation for providing other services related to the fund, or to the portfolio holding of the fund, such as due diligence fees, real estate development services, early-stage business consulting, and other services. Conflicts related to such fees are discussed in Item 11 of this Brochure, as well as in the offering materials of affected private funds. Private funds organized by SKK or its affiliates pay additional costs to third parties, such as audit, administrative, legal, and/or custodial expenses.

Upon termination of an investment management agreement involving a hedge fund, any fixed percentage fee that has been prepaid will be prorated to reflect the portion of time that the investment advisory services were provided during the relevant period. Upon termination of an investment management agreement involving a private equity fund which has paid an upfront management fee, no refund is paid upon any termination.

### B. Withdrawal Fee for Private Investment Funds

Many SKK-sponsored private funds, particularly those following venture capital, private equity, and real estate strategies, do not permit investors to borrow or make an early withdrawal of any portion of the capital

contributions made to it. Interested investors should carefully review offering materials for any SKK private fund to understand its liquidity terms.

#### C. Advisory Fee for Separately Managed Accounts

Any asset management separately managed accounts advised by SKK would typically be negotiated on an individualized basis with highly sophisticated investors.

#### D. Advisory Fee for Registered Investment Company

Pursuant to the investment management agreement, the RIC pays SKK a management fee that is calculated and payable monthly at the annual rate of 0.65% of the RIC's net managed assets. The management fee is waived for the Firm's wealth management client investors. No sales charge is expected to be charged with respect to the RIC.

The RIC also bears the fees and expenses of the private investment funds in which the RIC invests (the "Underlying Funds"). Some or all of the Underlying Funds charge carried interest, incentive fees or allocations based on performance. The Underlying Funds in which the RIC intends to invest generally charge a management fee of 0.00% to 2.00%, and approximately 0% to 20% of net profits as a carried interest allocation. The "Acquired Fund Fees and Expenses" item disclosed in the RIC's offering materials are based on historic fee information of the Underlying Funds in which the Fund anticipates investing, which may change substantially over time and, therefore, significantly affect "Acquired Fund Fees and Expenses."

SKK is generally entitled to be reimbursed by the RIC for all organizational and start-up expenses incurred by SKK and the RIC in connection with the formation of the RIC, including, without limitation, legal fees, filing fees and out-of-pocket costs associated with the formation of the RIC, and other ongoing, operational expenses incurred in connection with the management of the RIC as described in the offering materials of the RIC.

The RIC's administrator and certain other service providers also charge monthly fees that are covered expenses of the RIC. As part of its agreement with the RIC, the RIC's administrator has entered into an Expense Limitation and Reimbursement Agreement with the RIC whereby the administrator has agreed to waive fees that it would otherwise have been paid, and/or to assume expenses of the RIC to ensure that expenses do not exceed the greater of (i) \$500,000 or (ii) 0.75% of the net asset value of the RIC. A detailed explanation of the Expense Limitation and Reimbursement Agreement with the RIC is contained in the offering documents.

Please refer to the RIC offering documents for a complete list of all fees and charges as they apply to each respective share class of the RIC.

#### E. Withdrawal Fee for Registered Investment Company

The RIC will apply a special fee on early withdrawals. In the event an investor in the RIC redeems all or a portion of the investor's shares of the RIC within one year of becoming an investor, the investor must pay the fund a withdrawal fee of 2% of the NAV of any shares redeemed.

#### F. Other Fee Information

Fees are subject to modification and negotiation, mutually agreed by SKK and the client, based on a consideration of relevant factors, including the relationship of the account to other accounts served by SKK, the possible sub-advisory role of SKK, the nature and scope of the responsibilities of SKK in a given

relationship, the initial size of the account, the expected cash flow into the account for new investment, or expected withdrawals of cash from the account, and other reasons.

Clients choose whether to have management fees deducted from their assets under management or billed to them. Fees are payable as mutually agreed between Client and SKK and may be monthly, quarterly and/or annually. Clients also incur separate custodian fees, separate brokerage fees, and other transaction costs in connection with trades made for their account (see Item 12, Brokerage Practices). Clients indirectly incur the fees and expenses of a mutual fund or electronically traded fund to the extent that the assets under management are invested in such funds. Where management fees are paid in advance, as in the case generally for some private funds which are clients, the amount of the prepaid management fee will be prorated in the event of the early termination of the account to reflect the portion of the prepaid period that the investment advisory services were provided; however, for venture capital and private equity funds upfront management fees are generally not prorated in the event of an early termination.

Where an investor interested in a private investment fund sponsored by SKK is introduced to the private investment fund by a broker-dealer, placement agent, or other outside service provider, the general partner or manager of such private investment fund may have the option, in some cases, to deduct a percentage of the amount invested by such investor in certain situations to pay sales fees or charges, on a fully disclosed basis, to such broker-dealer, placement agent or outside service provider based upon the capital contribution of such investor, where consistent with applicable law. Unless otherwise negotiated, such fees would (i) be assessed against the referred investor, (ii) not be a capital contribution of the investor, and (iii) reduce the amount actually invested by such investor in the private investment fund. Such assumption of expenses by investors benefits SKK by increasing assets under SKK management. See Item 14 below, Client Referrals and Other Compensation.

Generally, for wealth management clients sub-advised by SK, an employee of SKK is compensated based in whole or in part on a percentage of the applicable client's SKK-managed assets for which the employee performed marketing services and/or performs ongoing servicing responsibilities, including without limitation advisory responsibilities. This practice presents a conflict of interest as it gives the employee an incentive to recommend investment advisory services based on compensation derived from total client assets, rather than on a client's needs. The firm believes that its investment process mitigates such conflicts. Also, these conflicts are disclosed by providing a copy of this brochure to prospective clients. Please see Item 11 for a more detailed discussion of conflicts of interest.

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

As mentioned in Item 5, Fees and Compensation, most of the private investment funds pay a fixed percentage fee component, a performance-based incentive allocation component, and/or a service-based fee component, for advisory services. In limited circumstances, SKK also negotiates a performance-based fee with a sophisticated wealth management client where the parties deem appropriate.

Performance-based fee arrangements raise certain potential conflicts of interest. A performance-based fee can create an incentive to recommend investments that are riskier or more speculative than would be the case absent such a fee. SKK has policies and procedures in place that are designed to prevent these conflicts from influencing the allocation of investment opportunities. In addition, SKK believes that conflicts arising from performance-based fees are mitigated by its practice of recommending investments to clients based solely on each client's individual needs and circumstances with a view toward the long-term success of each client relationship.

### Item 7: Types of Clients

SKK offers regular and continuous advisory services for private investment funds, pension plans, the RIC, institutions, endowments & foundations, private clients, family offices, assets funding variable insurance policies, and high net worth individuals. Unless otherwise agreed, in the case of institutional clients, SKK provides such services to the institutions, as distinguished from investors, limited partners, members, participants or clients of such institutions themselves. Information on clients for which SK provides sub-advisory services can be found in SK's separate Form ADV Part 2A brochure.

The target minimum amount of initial assets for a private wealth management client is \$20,000,000. The minimum account size for any new account is, however, subject to modification by mutual agreement with a client as determined on a case-by-case basis in light of particular circumstances. The investment objective, strategy, or guidelines of the account, particularly the introductory nature of a new strategy or investment approach for a private investment fund, the expectation of additional contributions to an account, the present or expected business relationship with the specific client or other potential clients, and similar considerations, can affect the minimum initial account size agreed upon.

### Item 8: Methods of Analysis, Investment Strategies and Products, and Risk of Loss

#### I. Methods of Analysis

With respect to asset management services, SKK may use any methods of securities analysis and any investment strategies which SKK believes may be helpful in achieving the investment objectives of its clients, consistent with any guidelines and restrictions that the client may otherwise request. Information on methods of analysis applied by SK can be found in SK's separate Form ADV Part 2A brochure.

In its venture capital, private equity, and real estate transactions, the method of analysis is tailored to the opportunity presented and the investor market expected to participate. Several such strategies involve series structures and single-asset structures that allow investors to combine investments into portfolios that suit their own investment goals. In these structures, investments are considered on their individual merit rather than as a component in an overall portfolio. In these cases, SKK conducts investment and operational diligence on each investment, with the assistance of partners and service providers where appropriate. The Private Equity Committee of SKK oversees the selection and monitoring of investments in these strategies.

While each investment is evaluated individually, SKK applies broad principles in its selection of investment opportunities. In the case of venture capital investments, which are often in the technology or healthcare sectors, SKK seeks platform technologies that have the potential to succeed in multiple applications, and which SKK believes are approaching an inflection point in their value. In the case of real estate development and acquisition projects, SKK seeks opportunities it believes offer strong value propositions for suitable investors. These and other strategies may apply different or additional methods of analysis that SKK believes are appropriate.

In its fund of fund strategies, SKK seeks opportunities that have either been overlooked or misunderstood by the market or that otherwise represent attractive return potential relative to other comparable investment opportunities. Such opportunities may include complex credit markets that are under-capitalized by traditional lenders that offer outsized return potential relative to those that are heavily trafficked. These strategies are generally allocated to alternative investments and private funds targeting relative and/or absolute returns primarily through implementing alternative credit strategies such as (for illustration only): receivables factoring, bridge financing, senior secured lending, senior unsecured lending, junior debt, mezzanine lending, providing lines of credit, asst-based lending, structured products, leasing, royalty payments, collateralized loan obligations, and similar. Underlying assets may include, but are not limited to, private and public credit instruments, asset backed and structured credit agreements, lease agreements,

other credit-related securities, and derivatives. These strategies seek, on an ongoing basis, to identify successful private funds within their focus areas, and may invest more than 50% of their assets in private funds with the remainder to be invested in co-investments and direct investments.

With respect to investment advice regarding investment in Qualified Small Business assets, SKK will apply methods of analysis generally similar to its analytical methods applied to private equity investment strategies, along with its wealth management analyses of client liquidity needs, risk tolerance, investment horizon, and similar considerations. Investment in Qualified Small Businesses incorporates certain risks, including without limitation: Equity Risk, Small/Mid/Micro Capitalization Company Risk, Non-Diversification Risk, Concentration Risk, and Private Equity Risk. Each such risk is discussed in detail below.

SKK generally retains investment discretion in managing the portfolios of its asset management clients. Certain funds managed by SKK follow a similar strategy to each other and may hold substantially similar portfolio assets but are organized and offered as separate parallel funds in accordance with technical provisions of the Investment Company Act of 1940. Also, an investor might decide to create a separately managed account which shares certain objectives and/or strategies as certain of its private funds. Where applicable, SKK seeks to manage such portfolios with similar investment objectives, strategies, guidelines, and restrictions, in a manner which, over a reasonable period of time, results in comparable sector, industry, and issuer weightings across such portfolios. However, at times, it may be appropriate for SKK to make recommendations and take actions that are different for otherwise similar accounts. Different actions may be taken for similar accounts because of other circumstances that affect the account, such as the account's size, cash additions and withdrawals for the account, the account's tax status, the tax ramifications of particular trades, the timing of an account's entry into the market, and the viewpoints of different portfolio managers assigned to the accounts.

Other investment strategies used by SKK can include cash management techniques that are helpful in certain market scenarios. Cash management techniques can be especially important when markets are erratic or when SKK believes it is desirable to hedge part of a portfolio. In another technique that is used on occasion, SKK may trade around a position to take advantage of volatility in the markets.

SKK has broad and flexible investment authority in most client accounts and may cause the portfolios to invest in a wide spectrum of investments consistent with the asset management client's investment strategy. SKK will generally invest in limited and private equity and debt offerings of operating companies, special purpose vehicles, certain derivative securities, and publicly traded equities depending on the strategy and guidelines of a particular client. Depending on the investment parameters of a given account, SKK may take long or short positions in securities and buy and sell covered and uncovered options on securities. Short sales and the sale of uncovered options can involve substantial risk.

A portfolio's investments may at any time include long or short positions in U.S. and non-U.S. publicly issued and non-public common stocks, American Depositary Receipts ("ADRs"), American Depositary Shares ("ADSs"), Global Depositary Receipts ("GDRs"), preferred stocks, stock warrants and rights, bonds of all types including distressed and defaulted bonds, notes or other debentures, debt participations or bank debt, convertible securities, distressed securities, foreign currencies, forward contracts, commodities, commodity contracts, commodity futures, financial futures, partnership interests (such as private investment funds), publicly traded or master limited partnerships, swaps, options (including options on stock market indices), derivative contracts and structured notes, and other securities or financial instruments including those of investment companies, such as closed end funds or exchange traded funds ("ETFs"), royalty trusts, exchange traded notes ("ETNs"), real estate investment trusts ("REITs"), and special purpose vehicles. In addition to the borrowing which is inherent in a short sale or derivative

contract, certain portfolios may buy securities on margin and may arrange with banks, brokers, and other financial institutions to borrow money against a pledge of securities in order to employ leverage. Certain financial instruments used by some clients, such as options or swaps, contain inherent leverage.

SKK does not currently envision significant investments in tangible commodities, options on tangible commodities or futures on tangible commodities. SKK may, on a limited basis, engage in transactions in financial futures or securitized products which tend to move like commodities or may recommend or engage third party investment managers that employ strategies that make use of one or more of the foregoing investments. To the extent that any advice regarding these strategies or recommendations of or referrals to third-party managers employing these strategies constitutes commodity trading advice, SKK maintains appropriate records and affirmations of exemptions from Commodity Trading Advisor status with the National Futures Association.

## II. Risk of Loss

A number of the investment strategies of SKK involve speculative investments and are not intended as a complete investment program. The strategies are suitable only for clients who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment and who meet other conditions. There is no assurance that any of the strategies will perform satisfactorily. Investing in securities involves risk of significant loss that clients should be prepared to bear. SKK's investment strategies involve the following material risks, among others. Investors considering an investment in an SKK fund should carefully review the offering documents of that fund in addition to this brochure for additional information on risks specific to that investment.

A. Equity Risk – Since the strategies involve the purchase of equity securities, the strategies are subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments or by world events. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in securities.

B. Short Sales Risk – Short sales are transactions in which an account sells a security it does not own. The account must borrow the security to make delivery to the buyer. The account is then obligated to replace the security borrowed by purchasing the security at the market price at the time of replacement. The price at such time may be higher or lower than the price at which the security was sold by the account. If the underlying security goes down in price between the time the account sells the security and buys it back, the account will realize a gain on the transaction. Conversely, if the underlying security goes up in price during the period, the account will realize a loss on the transaction. Because the market price of the security sold short could increase without limit, the account could be subject to a theoretically unlimited loss. The risk of such price increases is the principal risk of engaging in short sales.

C. Options Risk – An account may engage in the purchase or sale of options, which involve the payment or receipt of a premium by the account and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the seller is exposed to the extent of the actual price movement in the underlying security, rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

D. Micro-, Small- and Mid-Capitalization Company Risk – The micro-, small- and mid-capitalization companies in which accounts may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these micro-, small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets, and financial resources, and may depend upon a relatively small management and investor group. Therefore, stocks of these companies may be more volatile than stocks of larger companies. These securities may be traded privately, over the counter or listed on an exchange.

E. Investment Style Risk – Many of the strategies used by SKK involve the pursuit of a “value style” of investing. Value investing focuses on companies with stocks that appear undervalued in light of a variety of factors. If SKK's assessment of a company's value or prospects is wrong, an account could suffer losses or produce poor performance relative to other funds. In addition, “value stocks” can continue to be undervalued by the market for long periods of time. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which an account may invest, there is a potential risk of loss by an account of its entire investment in such companies. Over time, a value investing style may go in and out of favor, causing an account to sometimes underperform other funds that use differing investing styles.

F. Non-Diversification – Some strategies involve investments primarily in one industry or sector, or other grouping, such as issuers that focus on health care, energy, or real estate. Accordingly, an account which follows such a strategy will not be diversified among a wide range of industries, geographic areas and / or types of securities. Further, the account's portfolio may not be diversified among a wide range of issuers. Some strategies, especially venture capital, private equity, and real estate strategies, may invest in a single issuer. Companies in a single industry or closely related industries often are faced with the same obstacles, issues and regulatory burdens, and their securities may react similarly and move in unison. Thus, stock prices of portfolio companies can change collectively without regard to the merits of individual companies. The investment portfolio of such accounts may be subject to more rapid change in value than would be the case if the account maintained a wide diversification among industries, areas, types of securities and issuers.

G. Concentration – As noted, a strategy can be fully concentrated in a single issuer and not be diversified among a wide range of issuers. Because the portfolio will not be diversified among a wide range of issuers, the investment portfolio will be subject to significant concentration risks and more rapid change in value than would be the case if the portfolio were required to maintain a broader diversification among issuers. Exposure to a single issuer could result in it suffering losses disproportionate to those incurred by the market in general. By not being invested in any additional issuers, an investor may be substantially adversely affected when that one interest underperforms. It can also reduce the opportunities for liquidity compared to a more diversified strategy.

H. Frequent Trading – The investment strategies used by SKK can involve the frequent trading of securities, and as a result, portfolio turnover, brokerage commission expenses, and other transaction costs and taxes, may significantly exceed those of other investment accounts of comparable size.

I. Liquidity – Many SKK strategies do not make liquidity available to investors during the term of the strategy or make liquidity available on a very limited basis. Limited liquidity creates the risk that an investor may be unable to meet unexpected capital needs or to react to unfavorable changes to the performance or prospects of an investment. Investors should carefully consider the liquidity provisions of any potential investment, as well as their own liquidity needs, before making any investment.

J. Real Estate – Some strategies used by SKK involve risks associated with real estate investments in the U.S and abroad. Real estate values are affected by a number of factors, including changes in the general and local economic climate, the effectiveness of management, competition based on rental rates, attractiveness and property location, quality of maintenance, insurance and management services, variation in financing costs due to interest rate fluctuations or other reasons, and changes in operating costs. If properties do not generate sufficient revenues to meet their operating expenses, including debt service and capital expenditures, the operation may fail. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning, and taxes), interest rate levels, and the availability of financing. The use of borrowed funds involves a substantial degree of financial risk and can amplify the effect of any increase or decrease in the value of an investment. If a development project has not been sold before the maturity of a loan, and alternate financing is not available, the project could be lost through foreclosure. Undeveloped land involves more risk than the acquisition of a property which has been developed; undeveloped land does not generate operating revenue while costs are incurred and may require more permitting approvals to facilitate development compared to developed properties. The success of projects involving new construction and rehabilitating existing buildings requires projecting costs, which is subject to risks regarding underlying conditions and future events which are inherently uncertain.

Further risks exist depending on the particular real estate factors for a given underlying real estate project. The particular enterprise involved may not have any operating history or any assurance of profitability. A recently organized entity may not have any revenues from operations or assets upon which investors may base an evaluation of its likely performance. The Property may face risks of unanticipated casualty, such as fire, vandalism, burglary, or environmental issues, such as radon, mold, or land that is contaminated by storage of regulated substances (gasoline, solvents, etc.). The Developer may elect not to obtain title insurance for whatever reasons. The investment under consideration may only be for a particular stage of development, and the planning for the remaining portion of the project may be incomplete and affected by increases in planning and construction costs, making it difficult to collect further capital contributions. Real estate projects often rely on several stages of financing over the course of development, construction, and stabilization. As a result, an early investor in a real estate project may lose some or all of the value of its investment if the project is unable to finance later stages of the development or is only able to secure financing at unfavorable terms. Real estate holdings outside the U.S. may be subject to risks that differ in nature or degree from risks generally applicable to real estate holdings in the U.S., such as geopolitical risk, expropriation risk, foreign legal risk, and risks associated with international conflict.

K. Private Equity Risk – Some strategies used by SKK involve concentrated investments in illiquid securities of individual, privately held companies or special purpose vehicles. Such investments generally do not have a public market at the time of purchase and may never develop a public market. They often are not registered under applicable securities law and the transfer of such interests is likely to be subject to restrictions on resales imposed by applicable securities law. These strategies may take a significant number of years before any returns are available to an investor, and investors may face a total loss of their investment.

L. Reliance on Third Parties – SKK’s methods of analysis are dependent in part on information provided by issuers, third party consultants, rating agencies and other publicly available sources of information about issuers and securities. Reliance on such information is subject to the risk that the information is inaccurate or biased. In some cases, SKK works with a partner organization or recommends investments in strategies advised or managed by a third party. Although SKK evaluates such partners or recommended managers as part of its investment process, failure, casualty, or malfeasance by such a partner or manager could have a significant impact on any investors in a strategy that relies upon them.

M. Cyber Related events -- To the extent SKK's advisory business incorporates or depends on various applications and systems to perform business functions, such as information technology hardware, computer software, the Internet, and related technologies, clients are subject to certain operational and information security risks related to them. Material risks include disruption of SKK's normal business activities due to hardware failure, infrastructure disruption, third party attacks on SKK's technological resources or the resources of third parties utilized by SKK in its regular business, unauthorized access to client non-public information, or unauthorized requests for financial transactions. These types of cyber related events may interfere with the processing of client transactions, cause the misappropriation of confidential client information, impair the services of third parties to SKK, impact daily operations, comprise sensitive information held on computer resources owned or controlled by SKK and/or owned or controlled by third parties providing services to SKK or on its behalf, or cause reputational damage to SKK.

N. Fund Structure Risk – The structure of certain SKK-sponsored funds provides that profits and losses based on certain assets and activities are allocated to individual series of Interests, while general profits and losses are shared among all series. Since the funds are not structured as Series Limited Liability Companies, with statutory distinction between series, there exists a legal risk that investments in the funds become exposed to possible claims of the funds' general creditors, governance risk, liabilities, and other risks of the Fund as a whole, including those arising from other series of Interests. Therefore, an investor in any particular series of a fund with this structure cannot be assured that their investment will not be negatively impacted by liabilities of a portfolio investment or series that they did not directly invest in.

O. Geopolitical and Market Disruptions – Serious investment losses can result from major global and geopolitical events which disrupt the international economic order and investment markets, result in untold deaths, and change countries and outlooks in historic ways. Losses and disruptions can arise from public health epidemics. Further upheaval can result from international conflicts and wars, which devastate populations, prompt economic sanctions, create new trading and tariff arrangements among nations, or otherwise materially alter business, economic, financial, market, or other prevailing conditions that affect investments. Investments are dependent on the global financial and banking systems, disruptions to which may affect access to custodial or deposit accounts or otherwise diminish liquidity in ways that may negatively affect investments or cause losses. These losses can occur whether or not the investments are located in particular countries or in countries very remote from the directly affected countries. Losses can also result from the actions and policies of groups of nations and related organizations.

### III. Investment Strategies and Products

SKK currently follows a number of significant investment strategies, as described below.

A. Ventures – An account which follows the Ventures strategies seeks capital appreciation through investments in Financial Instruments issued by operating companies engaged in certain sector groups, which include, without limitation, the healthcare sector and the technology sector. The healthcare sector includes companies that develop specialized platforms for the delivery of diverse drugs throughout the body, conduct research, manufacture healthcare devices, provide healthcare services, perform diagnostics, and provide pharmaceuticals, among other things. The technology sector includes companies that develop next generation infrastructure, software and related services, including cybersecurity, 5G and adjacent technologies. Another sector is bio-stimulant products and compositions for promoting plant growth and modifying soil structure, as well as its proprietary processes for manufacturing these products from animal waste. Such an account may also invest in Financial Instruments issued by operating companies in other sectors. Ventures strategies generally entail very high risk due to the early stages of the companies and concentration of the investments, among other factors. SKK attempts to select investments that, if

successful, would have attractive returns in exchange for the outsized risk, but each such investment carries the risk of a significant or total reduction of value.

The general objectives of the Ventures strategy are to buy, sell, hold, and otherwise invest in Financial Instruments and to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Financial Instruments. As used in this paragraph, Financial Instruments means all types of financial assets, U.S. or non-U.S., whether publicly or non-publicly traded, including but not limited to stocks, notes, bills, bonds, subscriptions, preferred stocks, convertible notes or securities, options (including, without limitation, covered and uncovered puts and calls and over-the-counter options), rights, warrants, swaps, currencies, futures, other commodity interests, certificates of deposit, ADRs, International Depositary Receipts, interests in investment companies, and interests in ETFs. In many cases, such Financial Instruments may only be available through limited and private offerings. Through the Ventures platform, investors typically have an opportunity to invest in a fund or series or share class of a fund that in turn invests in selected securities of a single company. Interested investors can combine multiple such investments to select a portfolio that suits their investment objectives.

B. Real Estate – An account that follows the Real Estate strategy seeks long term growth of capital through investment in real estate, companies developing and operating real estate assets, and related assets and securities. The account invests generally in the preferred or non-preferred equity or debt securities of a single company or multiple companies involved in the development, ownership, or management of commercial or residential real estate properties in the U.S. and abroad, including office buildings, hotels, condominiums, apartment units, or raw land, among other properties including niche property sectors. However, investments following this strategy may also invest in common equity or limited partnership interests as well. In selecting investments, the account looks for distinguishing characteristics that may include a disciplined and focused investment strategy on the part of management and/or promoters, a repeatable track record by them, and their familiarity with the particular real estate market affecting a given property, and/or other factors. The real estate strategy is an alternative asset class with reduced market correlation. SKK's involvement can range from direct engagement with the real estate developer and real estate management company, to a more passive, observant role. One specific real estate strategy is to make investments in areas designated as Qualified Opportunity Zones pursuant to the Tax Cuts and Jobs Act of 2017, which in some circumstances can offer tax advantages to a Qualified Opportunity Fund making such an investment and to investors in such a fund. In many cases, SKK real estate strategies include partnerships with or investments in other firms with relevant expertise.

C. Custom Strategies – In addressing the needs of specific clients, including fund clients, the above-described strategies may be used in whole, in part, or in combination, along with any new strategies from SKK or as requested by the client, to create custom strategies. Custom strategies are those which the client and SKK have mutually agreed upon and which do not otherwise readily fit the above-described strategies. For example, a client and SKK may agree to limit an account to a pre-selected group of companies to be managed in a manner which blends some of the above-described strategies. Other custom strategies include investments in companies involved in real estate, pharmaceuticals, agricultural products, or medical services. A strategy can incorporate direct investment in certain operating companies, or investment in a private investment fund that only holds a significant position in one issuer, such as a single, large real estate project, or a single consulting company that specialized in creating financial structures for medical professionals.

#### D. Fund of Funds

Income Strategy – The SKK Income strategy seeks current income and, secondarily, long-term capital appreciation through investments in alternative investments and other listed and unlisted securities. This

strategy primarily focuses on the careful selection of managers of underlying private or registered funds, separately managed accounts, direct investments in listed and unlisted securities and co-investments. The actual allocation of investments may vary depending upon market circumstances among other factors. The strategy seeks opportunities that have either been overlooked or misunderstood by the market or that otherwise represent attractive return potential relative to other comparable investment opportunities. The assets are expected to be generally allocated to alternative investments and portfolio managers targeting relative and/or absolute returns primarily through implementing alternative credit strategies, such as (for illustration only): receivables factoring, bridge financing, senior secured lending, senior unsecured lending, junior debt, mezzanine lending, providing lines of credit, asset-based lending, structured products, leasing, royalty payments, life settlements, collateralized loan obligations and derivatives thereof, and similar. In many cases, the Income strategy identifies investments that would be valuable to a range of sophisticated investors but are difficult to access directly due to very high investment minimums, limited availability, or other constraints.

Real Estate Fund of Funds – As discussed above, SKK real estate strategies often involve partnerships with targeted firms that present investment opportunities to SKK and its clients. In some of those cases, SKK's strategy is to structure investments into an investment vehicle organized by such a partner.

#### **Item 9: Disciplinary Information**

In February 2020 SKK became the sole owner of all voting securities of Peak Capital Management, LLC ("PCM") and PCM's principal, Brian Lockhart ("Lockhart"), became a member of SKK's Management Board. Prior to this transaction, Lockhart entered into a Stipulation for Consent Order with the Colorado Division of Securities ("Stipulation"). In the Stipulation, the Staff of the Division (the "Staff") alleged that in 2012 and 2013 Lockhart recommended an investment in a movie production company to some advisory clients and others regarding which he, as an Executive Producer, had a material conflict of interest that he maintains he disclosed orally to all of the clients. Multiple clients acknowledged such oral disclosure. The Staff determined that this recommendation was inconsistent with Lockhart's obligations under Division Rule 51-4.8(IA)(K), which requires such disclosures to be made in writing. Under the Consent Order, Lockhart agreed not to violate Rule 51-4.8(IA)(K). No fine or other penalty was assessed. In September 2021, the Certified Financial Planner organization suspended Lockhart's authorization to use the CFP® credential for a period of one year and one day in connection with the events addressed in the Stipulation.

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

SKK has relationships with related persons engaged in certain financial businesses that are material to the advisory business or clients of SKK as set forth below. Related persons include entities, members, officers, and employees (except administrative staff) controlled by or under common control with SKK. These related persons are primarily the investment advisory subsidiaries of SKK (SK and PCM), and entities related to the funds that SKK manages and advises.

Where SKK or one of its investment advisory subsidiaries recommends investments in related businesses to its or their clients, or if SKK and its related persons invest alongside clients or investors in businesses or private investment funds, including private investment funds that they manage, or participate in the management or governance of, or receive compensation, including securities, for services from, such businesses or private investment funds, conflicts of interest arise because SKK and its related persons may have interests different from those of its and its investment advisory subsidiaries' clients and investors. These potential conflicts of interest with clients and investors are described further below in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Entity	Function	Entity – Private Investment Company
Shepherd Kaplan Krochuk, LLC	Primary Investment Adviser	
Shepherd Kaplan, LLC	Sub-Investment Adviser	
PCF Capital Markets, LLC	Broker Dealer	
SKK Syntax, LLC	Index provider	
Altair Wealth Systems Holdings, LLC (and subsidiaries)	Affiliate technology vendor	
Trellis Software, Inc.	Affiliate technology platform joint venturer	
SKK Group, LLC	Manager of each GP or Manager listed in the column to the left	
SKK Provident Investors GP, LLC	General Partner of	SKK Provident Investors, LP
SKK Real Estate GP II, LLC	General Partner of	SKK RE Ventures Fund II, LP SKK RE Ventures Fund PFD II, LP
SKK Ventures Manager, LLC	Manager of	SKK Ventures, LLC
SKK Ventures QP Manager, LLC	Manager of	SKK Ventures QP. LLC
Peak Capital Management, LLC	Investment Adviser	
SKK 9i Ventures Manager, LLC	Manager of	SKK 9i Ventures, LLC
SKK 9i Ventures QP Manager, LLC	Manager of	SKK 9i Ventures QP, LLC
SKK Opportunity Zone Fund I Manager, LLC	Manager of	SKK Opportunity Zone Fund I, LLC
Kairos SKK EnviroKure GP, LLC	General Partner of	Kairos SKK EnviroKure Investors, LP
SKK Industrial GP, LLC	General Partner of	SKK-FHR Industrial Fund I, L.P.
SKK-FHR GP, LLC	General Partner of	SKK-FHR Industrial Fund I, L.P.
SKK-Global Partners Property Fund I GP, LLC	General Partner of	SKK-Global Partners Property Fund I, LP
SKK Opportunity Zone Fund II GP, LLC	General Partner of	SKK Opportunity Zone Fund II, LP SKK Cayo Largo Development, LP

Additional Related Party Information:

MRLM Group, LLC and MRLM Holdings, LLC (“MRLM Entities”) are indirect affiliates of SKK created to facilitate lending transactions among affiliates of SKK and certain lender/investors some of whom are not principals or employees of SKK. SKK’s indirect relationship to the MRLM Entities presents conflicts of interest due to their benefits to SKK and its affiliates and financing from external parties that have other relationships to SKK. These conflicts are described in more detail below and in Item 11 of this brochure.

Stephen Brackett is a board member of Global Partners Property Fund I (CEIC) Limited, an investment fund domiciled in Dubai which is the principal investment of a real estate strategy managed by SKK (“Global Partners Fund”). Mr. Brackett has a conflict of interest serving on the board of that fund, while also participating in the management of the SKK strategy, in that obligations he has as a board member may at times be inconsistent with his obligations to SKK and its clients. SKK believes those conflicts are mitigated by the policies and procedures of SKK, and by the fact that his role on the fund board is largely to coordinate and oversee that fund in relation to SKK’s strategy and clients. A senior member of Global Partners Fund’s manager has provided a loan to the MRLM Entities, which are described in more detail above and in Item 11 of this brochure. Conflicts of interest can arise in that this relationship may influence SKK Parties in deciding whether to recommend an investment by SKK’s clients in real estate funds that invest in the Global Partners Fund. SKK believes that its investment process, certain fee adjustments and disclosures in this brochure and to affected clients and investors adequately address such conflicts See Item 11 below regarding conflicts of interest.

Timothy Krochuk and John Reading Wilson, an affiliate of SKK Group, are on the board of FBHC Holding Company, a bank holding company (“FBHC”). An affiliate of FBHC has previously provided banking services to SKK and its affiliates, including investment vehicles managed by SKK. In circumstances where that bank does business with SKK or its affiliates and clients, Mr. Krochuk and Mr. Wilson could have conflicts between their obligations as board members and their obligations to SKK and its clients. SKK believes conflicts are mitigated by the policies and procedures of both SKK and FBHC. Mr. Krochuk and Mr. Wilson are compensated for their service on the Board, but their compensation is not in any way based or conditioned on any relationship between the bank and SKK or its clients.

PCF Capital Markets, LLC (“PCF Capital”) is a registered broker dealer and is owned primarily by Provident Healthcare Partners, LLC (“Provident Healthcare”), a minority equity interest which is held by SKK Provident Investors, LP, a private investment fund managed by SKK. Stephen Brackett, President and Co-Head of Alternative Investments of SKK, represents the fund on the Board of Directors of Provident Healthcare. SKK’s indirect relationship with PCF Capital creates potential conflicts of interest where, among other things, clients of PCF Capital may invest in SKK private investment funds, for which PCF Capital is compensated. PCF Capital’s parent company, Provident Healthcare, which primarily provides M&A consulting services to private healthcare companies, also receives compensation if it refers wealth management clients to SKK. Provident Healthcare provides M&A consulting services to certain portfolio companies of SKK-affiliated funds, for which it is entitled to receive compensation in the event that the portfolio companies experience a liquidity event. The principal owner of Provident Healthcare has invested in certain SKK-affiliated funds and provided financing to SKK in connection with such investments. SKK believes that its investment process and disclosures in this brochure and to affected clients and investors adequately address such conflicts. See Item 11 below regarding conflicts of interest.

Peak Capital Management, LLC (“PCM”) an investment adviser registered with the SEC, develops investment strategies designed to manage risk utilizing an absolute return philosophy. PCM is wholly owned by SKK. Brian Lockhart is the Chief Executive Officer and Chief Investment Officer of PCM, a member of the SKK Management Board, and has an indirect ownership interest in SKK and direct interest in SKK Group, LLC. (See Form ADV for PCM at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).) SKK’s relationship to PCM creates potential conflicts of interest where, among other things, clients of PCM invest in SKK private investment funds; see Item 11 below regarding conflicts of interest.

Kairos SKK EnviroKure GP, LLC (“EnviroKure GP”) is the General Partner of Kairos SKK EnviroKure Investors, LP (“EnviroKure Investors”), a private investment company that invests in the equity of EnviroKure, Inc., a company that has developed and commercialized a process for turning chicken manure into biofertilizers. EnviroKure Investors has investment advisory agreements with SKK and with Kairos

Investment Management Company, LLC (“KIMC”). EnviroKure GP is governed by a board of managers equally controlled by SKK and KIMC. SKK recommends to appropriate clients investments in various KIMC-affiliated real estate funds. Senior officers of KIMC have invested in certain SKK-affiliated funds and a portfolio company of an SKK fund. In addition, a senior member of KIMC has provided a loan to the MRLM Entities, which are described in more detail above and in Item 11 of this brochure. Conflicts of interests can arise in that this relationship may influence SKK Parties in deciding whether to recommend an investment by SKK’s clients in real estate funds affiliated with KIMC and EnviroKure Investors. SKK believes that its investment process, certain fee adjustments and disclosures in this brochure and to affected clients and investors adequately address such conflicts See Item 11 below regarding conflicts of interest.

SKK-FHR, LLC is a joint venture between SKK and its affiliates and FHR Capital, LLC for the purpose of managing an industrial real estate investment strategy. Principals of FHR Capital, LLC have previously invested in other investment products sponsored by SKK. The preexisting relationship between SKK and FHR Capital, LLC presents a conflict of interest in that it may in some cases influence SKK to either treat those principals more favorably with respect to their investments in other products with respect to their arrangements with SKK-FHR, LLC and related strategies.

Trellis Software, Inc. (“Trellis”) is a technology company that provides services to persons and enterprises that make investments in private securities and/or provide other services of a financial nature. SKK and Timothy Krochuk are minority owners in Trellis. Timothy Krochuk is also the CEO of Trellis and Steve Brackett and David Kaplan are on Trellis' board of directors. Timothy Krochuk, Steve Brackett and David Kaplan are also indirect owners and on the Management Board of SKK. Krochuk, Brackett and Kaplan receive cash and noncash compensation in exchange for their service to Trellis. SKK expects that Trellis will provide technology services to SKK related to investments by SKK wealth management clients and/or third parties in private securities, (i) which SKK may recommend for investment, (ii) as to which SKK may provide consulting or other services to the issuer, and/or (iii) as to which SKK may establish, manage, or advise private investment funds to facilitate investment in the securities of the issuer.

Altair Wealth Systems Holdings, LLC (“Altair”) is a financial technology company that provides SaaS solutions, based in part on a product developed by SKK, and expert services to support financial institutions. The owners of SKK also hold substantial interests in Altair and certain officers of SKK are also officers of Altair, including David Shepherd and Pete DiLorenzo. In addition, certain employees of SKK have provided, or may provide in the future, services to Altair. Altair provides services to SKK and SKK pays fees directly to Altair for these services, however SKK clients are not charged by Altair or SKK for SKK’s use of Altair software to support their accounts other than the advisory fees paid by clients to SKK.

SKK believes the ongoing relationship and familiarity between SKK and the above-listed related parties are generally beneficial to each of them and to SKK’s clients, and that any conflicts of interests are mitigated by SKK’s investment process, policies and procedures.

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

### **I. Code of Ethics**

Regulations require investment advisers to adopt a code of ethics. The firm’s Code of Ethics (Code) establishes rules of conduct for all supervised persons of SKK. Generally speaking, the term “supervised

persons” includes members, managers, employees of SKK and consultants, if any, who provide advice on behalf of SKK and are subject to SKK's supervision and control; the term “access persons” includes those supervised persons with access to non-public information about securities recommendations by SKK for clients. or purchases and sales of securities by SKK clients.

SKK and its supervised persons must comply with the rules of the Firm’s Code of Ethics, their fiduciary duties to clients, and applicable federal securities laws. SKK’s fiduciary duty to its clients requires that SKK and its supervised persons act with good faith and in the best interests of clients. Provisions of the Code include transaction reporting requirements, the requirement for access persons to obtain approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering or in a limited offering, and the obligation to report Code violations promptly.

SKK will provide a copy of its code of ethics to any client or prospective client upon request.

No access person may trade in a security, either personally or on behalf of others, while in the possession of material, nonpublic information about such security, nor may any personnel of SKK communicate material, nonpublic information to others in violation of the law. SKK has adopted policies and procedures to address known situations in which the risk of transmission of material non-public information is heightened.

## II. Conflicts of Interest

### Allocating resources and investment opportunities

Various conflicts of interest arise because of the close relationship of SKK, SKK Group, LLC, and the Principals, who are indirect owners of SKK, members of the SKK Management Board, and also members of SKK Group, LLC, which has an interest in incentive fees received from various private investment funds managed and/or served by SKK. As a result, SKK Group, LLC and SKK (and the Principals) have conflicts of interest in allocating their time and activity between various accounts, in allocating investments among accounts, and in effecting transactions between accounts, including ones in which SKK Group, LLC, SKK (and the Principals) have a financial interest. Where accounts have similar investment strategies, SKK could favor one account over another because one account compensates SKK, or individuals affiliated with SKK, more than the other account. SKK has adopted opportunity allocation procedures, among other policies and procedures, which are designed to help address such conflicts. See Item 11 (I), Code of Ethics, and Item 6, Performance-Based Fees and Side-By-Side Management, above.

### Investments by Clients in Private Funds and Companies in which SKK has an Interest

SKK may provide information to its non-discretionary wealth management advisory clients about investment opportunities in funds advised by SKK and private companies in which SKK has a financial interest. SKK has significant conflicts of interest in providing such information because in many cases SKK or its affiliates will benefit financially or in other ways from an investment in such an opportunity. In such cases, SKK discloses its interests and the conflicts created by them to the client so that the client can make an informed decision in their evaluation of the information presented and determination of whether to make an investment.

### Cross Transactions

SKK reserves the right to cause the SKK private investment funds and other accounts directly managed by SKK to enter into transactions among or between themselves, commonly known as cross transactions. Cross transactions are mutually advantageous to the buying and selling of accounts where, for example, one

account needs cash and the other account has excess cash, or where cash flows or particular portfolio holdings have caused the accounts to deviate from desired weightings, and rebalancing is needed to meet certain weighting parameters. Cross transactions can reduce brokerage commissions for both accounts and can also help the accounts avoid an adverse market impact that trades in the market might otherwise create.

Cross transactions between the funds, accounts, or other clients are only considered when they are appropriate and in the best interests of the accounts under the circumstances, subject to full disclosure to the affected accounts and compliance with the various regulatory provisions that apply. In particular, purchase and sale transactions (including swaps) are permitted between or among the funds and other accounts subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commissions or fees (i.e., except for customary transfer fees or commissions) or other remuneration shall be paid for effecting any such transaction.

If an entity involved in a recommended transaction is at that time owned 25% or more by SKK or affiliates of SKK, the cross transaction is deemed to involve SKK as a principal. SKK will comply with further regulatory provisions that apply where a cross transaction with a participating account is deemed to involve SKK as a principal.

#### Conflicts Relating to SKK Private Funds and SKK Party Investments Alongside Clients and Investors

SKK, SK, PCM and the Principals, and their officers, employees, and affiliates (collectively called “SKK Parties”) invest in private companies and funds alongside clients, participate in management and governance, and receive compensation, including securities, for services from such companies and funds. Conflicts of interest arise in such situations, including for instance:

- A client’s investment in a private fund or company introduced by an SKK Party increases the value of an investment held by an SKK Party;
- A client’s investment in a private fund or company in which an SKK Party has also invested provides liquidity to, or otherwise benefits, the private fund or company concerned;
- An SKK Party who has invested alongside a client has access to more information about the investment than the client and sells its position or buys more securities on the basis of that information;
- An SKK Party, or other SKK client, holds a different investment position in the company’s or fund’s capital structure than a client which creates different incentives to vote or take other actions affecting the client’s investment;
- An SKK Party’s investment involves certain voting rights or confers other powers to influence or participate in the governance of the investee company or fund which differ from those of a client investor. Those rights and powers can result from serving as a director or officer of an investee company or fund, in which case the member or employee would be obligated to serve the interests of the company or fund, in addition to the interests of any advisory client who has invested in that company or fund; or
- An SKK Party is compensated for serving on the board or as an officer of a company or fund in which SKK Party advisory clients have invested or serves in a consulting or advisory capacity. The receipt of such compensation, or the manner in which compensation arrangements are structured,

create incentives for such an SKK Party to act in a manner that does not prioritize the interests of advisory clients that are invested in the company or fund. For example, SKK serves as a co-developer of a real estate project in which an SKK affiliated fund invests and has provided consulting services and received compensation from a company in which SKK clients have invested and which subsequently became a portfolio company of an SKK fund.

#### Outside Business Interests

To the extent that any SKK Party, including SKK itself, is involved in other businesses, occupations or relationships, potential conflicts of interest can arise with respect to the management of assets for investment advisory clients and investors in SKK-sponsored funds. For example, if an SKK Principal or employee is a director, officer or equivalent, or is otherwise a party to material non-public information of a publicly traded company, or of a privately held operating company recommended to, and held in the portfolio of, a client, the Principal or employee may be exposed to non-public, material information about the outside company or other companies which negatively affects the Principal's or employee's trading flexibility in managing client assets. Also, the Principal or employee is likely to receive compensation, including securities, from such company, which creates a bias in favor of the company. Conflicts of interest could arise because the Principal or employee could cause accounts managed by the Principal or employee to invest in a manner that favors his business interests, the interests of a company to which he owes a competing fiduciary duty, or the interests of a company in which he has received stock options or other compensation contingent on the success of the company. Accounts managed by the Principal or employee might acquire interests in businesses that are significant existing or potential customers or suppliers to an outside business of the Principal or employee. The accounts managed by the Principal or employee might seek to acquire assets that the other business also seeks to acquire.

#### Valuation of Affiliated Private Investments

SKK and/or its affiliates offer certain private funds for which they may serve as manager, advisor, and/or sponsor. Some of these affiliated private funds hold positions in underlying assets for which SKK and/or its affiliates are involved in providing management, development, consulting, or other services, or where SKK Parties serve on the board of directors or in a similar capacity. These circumstances create conflicts of interest in that where SKK charges management or performance fees to investors in such funds, or where SKK charges wealth management fees to such investors, higher valuations of such funds would result in higher fees paid to SKK. Where SKK does not charge such fees, a conflict of interest nonetheless exists to the extent that increases in valuation may portray successful investment. SKK generally engages outside valuation consultants to assist it and the auditors of such private funds with determining the valuation of assets, which SKK believes helps mitigate this conflict of interest.

#### Other Conflicts

SKK and its affiliates, particularly general partner and manager entities for affiliated private funds, and the personnel of each ("SKK Parties"), customarily seek exculpation and indemnification for services provided to clients and investors, including wealth management clients and private fund investors. Typically, SKK Parties are exculpated and indemnified for liability arising from their investment advisory services except to the extent of their gross negligence, recklessness, fraud, intentional wrongdoing, and/or inurrence of liability under federal or state law which is not subject to waiver or limitation. Investment management agreements with SKK-managed funds, or the limited partnership agreement or operating agreement of such funds, in some cases have different provisions related to exculpation and indemnification. Where applicable, these rights to exculpation and indemnification would require a plaintiff to satisfy a higher standard of proof to obtain a judgment in civil litigation against SKK Parties than that plaintiff would need

to satisfy if these rights did not apply. These rights to exculpation and indemnification create conflicts of interest to the extent they remove risks of civil liability that could motivate greater care or caution in providing investment advisory services. SKK Parties will not pursue exculpation or indemnification to the extent prohibited by law, including without limitation to waive by contract any obligations under the Investment Advisors Act of 1940. Notwithstanding the existence or application of any right to exculpation or indemnification, the relationship between SKK and its clients remains fiduciary in nature.

Certain agents of SKK, typically members of its Management Board, serve as directors or in similar capacities for portfolio companies in which SKK's private equity-oriented private funds invest. While the particulars vary depending on the portfolio company, this service is generally compensated by noncash compensation, including stock, options, and/or warrants, and sometimes involves cash compensation in form of expense reimbursements and/or stipends. In their capacity as directors or in other relationships to portfolio companies, such SKK personnel may also receive personal indemnification or exculpation rights with respect to such companies, in addition to the provisions discussed above related to SKK.

Many conflicts of interest arise between and among the various entities and persons involved in the investment advisory services provided by SKK Parties, including clients, investors in the SKK Funds, private funds or companies that issue securities acquired or sold by clients or the SKK Funds or their respective employees, executives or affiliates, brokers who trade securities on behalf of clients or the SKK Funds, third parties such as custodians and administrators who provide services to the SKK Parties or the SKK Funds, third party issuers, investment managers and fund sponsors, and other persons or entities in the financial industry. Without limitation for example:

- SKK Parties, clients, and SKK Funds have invested in an unrelated company, mutual fund or private investment fund and an employee or principal of such unrelated company, mutual fund or private investment fund is a client of SKK, investor in an SKK Fund, or co-invest alongside an SKK Fund or client. These relationships may influence SKK Parties in deciding whether to recommend an investment in the unrelated company, mutual fund, or private investment fund and whether and when to dispose of such investment.
- SKK acts as investment adviser to the RIC, which it may recommend to certain of its other clients.
- SKK clients and other investors have invested in an SKK-affiliated fund that invests in a company that provides financial consulting and investment banking services to other SKK-affiliated fund portfolio companies and whose affiliates provide financing to and invest in other SKK Parties. An affiliate of the same company has also been engaged by SKK to identify potential clients for SKK and investors for SKK funds for a fee to be paid by SKK. These relationships may influence SKK Parties in deciding whether to recommend portfolio companies to retain or terminate their relationship with that service provider.
- SKK clients have provided financing or other forms of direct investment to portfolio companies of SKK-affiliated funds, and other affiliates of SKK. In some cases, SKK has provided advice or other assistance in identifying such an investment as part of its overall investment advisory or consulting services to the client and has received a fee for those services. The provision of financing by these clients may influence SKK Parties to favor one or more such clients over other clients, such as when allocating investment opportunities among clients, or to recommend investments by other clients in those companies to preserve the value of earlier investments.

- SKK has recommended and is expected to recommend in the future that clients invest in SKK-affiliated and unaffiliated private funds that (i) have or whose affiliates have directly or indirectly extended credit to or invested in SKK and its affiliates or a company in which SKK Parties have invested and (ii) through an affiliate of the recommended fund, invested in SKK Funds or joint ventured with SKK in other projects. Lenders to the MRLM Entities (described below) include persons affiliated with such recommended private funds. These relationships may influence SKK Parties in deciding whether to recommend these private funds as an investment by SKK’s clients.
- SKK clients have invested, and SKK is expected to recommend future investments, in certain ETFs in which SKK has an indirect economic interest and other business dealings with affiliates of the ETFs, including the past provision of loans by such affiliates to SKK and its affiliates (including a loan, since repaid, to the MRLM Entities in connection with an arbitration settlement discussed below), and, in connection with the MRLM loan, the current ownership of an equity-like interest in an affiliate of SKK. These loans and business dealings may influence SKK Parties in deciding whether to recommend an investment by SKK’s clients in one or more of the ETFs.
- SKK has guaranteed financing extended to a real estate project in which an SKK Fund has invested substantially all of its assets. SKK wealth management clients have invested in the SKK Fund. The lender for this financing (the “Lender”) is an unaffiliated third-party investment manager, which operates certain investment funds that SKK recommends to its wealth management clients and the RIC. SKK has also guaranteed performance of certain obligations of the primary holding of the SKK Fund with respect to a commercial lease agreement related to the real estate development project associated with the SKK Fund. The existence of this financing, which, as of the date of this Brochure is being renegotiated, and of the guaranties by SKK, as well as the various additional business relationships among Lender, SKK and its affiliates, all of which are disclosed to clients at the time of investment, constitute conflicts of interest with respect to SKK’s recommendation of investments offered by the Lender to its wealth management clients and the RIC, and/or investments in the SKK Fund, to the extent that such investments would benefit the underlying real estate development project, increase the likelihood of a successful extension of the financing, and reduce the likelihood of their guaranties being invoked.
- An SKK Fund has made an investment in a third-party commercial service provider (the “Service Provider”). The Service Provider, in turn, has certain commercial agreements with other portfolio companies of certain SKK Funds. The commercial agreements between the Service Provider and the portfolio companies provide that the Service Provider will provide capital raising services to them, and be entitled to compensation as a percentage of the amount of funds raised, except where funds are raised from SKK affiliates or advisory clients, in which event the Service Provider’s right to compensation is waived. SKK has reviewed the terms of the commercial agreements and found them to be consistent with market terms available for similar services provided on an arm’s length basis. These commercial agreements nonetheless constitute a conflict of interest to the extent that they benefit portfolio companies in which SKK and its affiliates have a financial interest, and incentivize SKK or affiliates to exercise influence over the portfolio companies to continue to do business, or expand their business, with the Service Provider. The Service Provider is also party to a Promoter Agreement with SKK, whereby it would be eligible to receive a share of revenues obtained from any wealth management clients it refers to SKK. An affiliate of the Service Provider is also party to a brokerage agreement under which it may introduce interested investors to SKK Funds. This circumstance constitutes an additional conflict of interest to the extent that it incentivizes SKK to reciprocally refer business to the Service Provider.

- An officer of SKK (“the Officer”) formed a private fund that invested, prior to the investment by an SKK Fund, in a company that subsequently became a portfolio company of an SKK Fund. The Officer is thus positioned to receive information or exercise rights with respect to the portfolio company separately from his role with SKK. SKK has relied on the Officer for some of its due diligence concerning the portfolio company. These circumstances constitute a conflict of interest to the extent that SKK and/or the Officer are incentivized to exercise their influence as investors with the portfolio company to benefit one another instead of the portfolio company.
- An SKK wealth management client (“the Client”) serves on the Board of Directors for a portfolio company (the “Company”) of an SKK Fund, and in this capacity the Client is eligible to receive cash and noncash compensation from the Company in exchange for this service. He is also in a position to receive information about the Company that differs from information available to other investors in the Company, including private funds affiliated with SKK and those funds’ underlying investors. The Client’s relationship with SKK poses conflicts of interest with respect to his service as a director for the Company, to the extent that he, or SKK’s other personnel serving as directors, are incentivized to exercise their influence as directors to benefit each other and the Company instead of the Company given their relationships with one another.
- An SKK client has provided a loan (as have certain persons associated with investments recommended by SKK as described above) in connection with an arbitration settlement described below to the MRLM Entities, repayment of which is linked to receipt by the Principals of carried interest in certain SKK Funds and proceeds from the sale of certain other investments held by SKK Group, LLC (the “Collateral”). The MRLM Entities currently anticipate the need to restructure the loan prior to its maturation in the third quarter of 2024. Two Principals responsible for the wealth management division of SKK and who function as co-Chief Investment Officers of SK, have guaranteed repayment of the loans. Following repayment of the loans, the lenders retain certain equity-like rights to certain proceeds from the Collateral. These loans and their anticipated restructuring may influence SKK Parties to favor the client lender, such as with respect to the allocation of investment opportunities among investment advisory clients. The loan obligations and restructuring considerations may also influence SKK Parties to (i) recommend that clients make investments in the affected SKK Funds or portfolio companies or to recommend investments in SKK Funds or portfolio companies that are not so affected; or (ii) as directors of affected portfolio companies, or in voting Fund-held shares of such companies, or in determining whether to retain or dispose of Fund investments, change the timing of payments that would be used to repay the loans. Additional clients or affiliates of funds recommended by SKK or of entities with which SKK does business could become lenders to or investors in SKK and its affiliates under the loan facility or otherwise in the future. If SKK engages in such a transaction or another principal transaction with a client, SKK will make appropriate disclosures to the client and comply with all other applicable regulatory requirements.
- SKK, through its affiliate SKK Funds pursuing the Real Estate Strategy, has developed relationships with certain real estate developers in connection with real estate projects in which the SKK Funds invest. These developers may derive fees and/or incentive allocations from the SKK Fund investments. Certain developers have additional business relationships with SKK and its clients, including potential participation in other projects in which SKK Funds invest and providing assistance to certain wealth management clients of SKK or its affiliates who have negotiated, and continue to negotiate, certain transactions with the developers, including lending transactions. SKK and the developers are likely to do additional business in the future. Investments in the SKK Funds with these developer relationships will benefit the developers by providing funding for their real

estate development, as well as additional fees and incentive allocations payable to the developers. SKK has a conflict in presenting investors with an investment that would benefit a developer with which it has other relationships.

- A Principal of SKK serves as a non-compensated advisor of a commercial service provider that has been engaged by SKK to provide professional services, including valuation services, to the SKK Funds and its affiliates. The Principal's status with respect to the service provider presents conflicts of interest by potentially influencing SKK to utilize the services of the service provider and in structuring compensation arrangements for such services, which are generally borne by the SKK Funds.
- SKK has recommended and expects to recommend in the future that its clients invest in publicly-listed securities of an issuer a control person of which has direct outside business relationships with SKK Parties. While these securities are in all cases determined to be appropriate for such clients' individual portfolios, a conflict of interest nonetheless exists when recommending transactions due to these relationships, since SKK Parties may seek to engage in other outside business with the issuer's control person. These conflicts are disclosed to clients at the time of any recommendations. Also, due to the public nature of the issuer's securities, a heightened risk exists that an SKK Party will come into possession of material non-public information by virtue of its relationship with the issuer's control person. The SKK Parties have adopted enhanced policies and procedures regarding identification and treatment of material non-public information as a result of these risks.

In August 2021, SKK settled claims brought in a private arbitration arising from investments in a failed hedge fund recommended by Shepherd Kaplan LLC (SK) in 2014-2016. The private arbitration panel issued an award to the claimants in April 2021, which has been fully and finally resolved in the settlement. SKK and SK strongly disagree with the panel's award and believe that at all times SK acted properly, professionally and in accordance with its contractual and other duties. Indeed, in an earlier arbitration decided in 2019, the arbitrator rejected substantially similar claims brought by different claimants arising from investments in the same hedge fund.

In an effort to put this matter behind the firm and avoid further costs and distraction, and considering the difficulty of overturning arbitration awards, a settlement was reached in which SKK agreed to make a payment to claimants.

MRLM Group, LLC (part of the MRLM Entities discussed elsewhere in this brochure), an affiliate of SKK and SK, has borrowed funds to fund a portion of the settlement. The lenders include an advisory client, as well as certain persons affiliated with investments that SKK has recommended and may recommend to some of its clients. These relationships and the structure of the loans create certain conflicts of interest that are described above.

These examples are only indicative in general of the kinds of actual and potential conflicts that exist. With the various interrelationships among the SKK Parties, clients, investors in the SKK Funds, companies in which investments are made, and third-party service providers on the one hand, and the changing nature of the relationships and circumstances on the other hand, further conflict scenarios will likely arise.

#### Conflict Mitigation

SKK, SK and PCM take steps that they reasonably believe will mitigate any material conflicts noted above that might arise. SKK and SK believe that potential conflicts are mitigated by their investment process and appropriate fee adjustments, and they will provide disclosures to clients and investors regarding conflicts

and potential conflicts as necessary, in addition to disclosures contained in this brochure. Additionally, executive management and compliance personnel meet regularly to address conflicts and other compliance issues, which facilitates the identification, analysis, and remediation of perceived and potential conflicts. Any material conflicts of interest that arise are discussed and resolved on a case-by-case basis by senior personnel of SKK, SK and PCM.

### Item 12: Brokerage Practices

The following discussion of brokerage practices relates primarily to SKK. Because of operational differences in the brokerage practices of SKK and SK, please refer to the Form ADV Part 2A for SK for a discussion of SK's brokerage practices.

#### I. Research and Other Soft Dollar Benefits

While SKK has no formal soft dollar program in which soft dollars are used to pay for third party services, SKK may receive research, products, or other services from custodians and broker-dealers in connection with client securities execution capabilities. There can be no assurance that any particular client will benefit from these services and SKK does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. SKK benefits by not having to produce or pay for the research, products or services, and SKK will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that SKK's acceptance of research, products and services benefits may result in higher commissions charged to the client.

In circumstances where SKK is authorized to determine the broker or dealer to be used for securities transactions for the accounts under its discretionary management, SKK's policy is to seek the best overall execution of purchase or sale orders and the most favorable net prices in securities transactions, while giving due consideration to all the relevant circumstances that affect the trade. In selecting brokers or dealers, SKK will consider and give weight as it deems appropriate to the integrity and financial responsibility of the broker or dealer, the execution capabilities and responsiveness of the broker or dealer, the market where the transaction is to be completed, and whether the transaction is a principal or agency trade. In addition, consideration will be given to the specialized expertise that a broker or dealer has with a type of security (e.g., options, high yield bonds, or non-U.S. securities), the manner in which the broker or dealer may handle a less liquid security, and the market information available to the broker or dealer. SKK will also consider the competitiveness of the commission rates in agency trades, or the net prices in principal trades, as well as the difficulty of the execution or security positioning in light of prevailing market conditions. The quality of the broker's or dealer's back-office clearance and settlement systems, and the compatibility of their systems with the systems of SKK, are similarly important.

Some brokers or dealers currently or formerly engaged by SKK may provide additional brokerage and research services which supplement their execution services. In selecting a broker or dealer for a trade, SKK may give weight to such supplemental services that have been provided in the past or may be provided in the future. Such other research services may include, but are not limited to, research reports; software providing analysis of securities portfolios; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including company financial data); and advice from brokers on order execution. Such other brokerage services may include, but are not limited to, services and software related to the execution and settlement of securities transactions (e.g., connectivity services between an investment manager, a broker-dealer, and custodians, among others); trading software operated by a broker-dealer to route orders; and software that provides trade analytics. Brokerage and research services can include both proprietary services created or developed by the broker-dealer and third-party services created or developed by an unrelated source.

Some brokerage and research services may benefit SKK's clients as a whole, while others may benefit only specific accounts or a limited number of accounts. In general, most services will benefit multiple accounts.

## II. Brokerage for Client Referrals

To the extent any broker dealer referred clients to SKK, SKK would have a conflict of interest in that it would have an incentive to direct orders to that broker dealer. SKK does not have standing arrangements with any broker dealer that it recommends to clients for that broker dealer to refer clients to SKK. To the extent that any broker dealer referred one or more clients to SKK in the course of their ordinary business relationship, SKK would not take those referrals into consideration in recommending that broker dealer to clients.

## III. Directed Brokerage

In the event that a client of SKK requests that orders for the client's account be directed to specific brokers or dealers, SKK will attempt to abide by the request to the extent practical under the circumstances. A client who requests the use of a particular broker or dealer may, however, may forgo potential benefits, such as bundling of orders, lower commissions and other costs negotiated by SKK for its clients, consolidated reporting, and others.

## IV. Aggregation of Orders

SKK does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

### **Item 13: Review of Accounts**

#### Private Equity, Venture Capital, and Real Estate Strategies

SKK's Private Equity Committee is responsible for review and oversight of accounts that follow Private Equity, Venture Capital, Real Estate, and similar strategies. The Private Equity Committee includes all managers of SKK as voting members, as well as other key personnel within SKK. The Committee meets throughout each year to review the status and performance of existing accounts, and to discuss and develop new opportunities for investments. Some strategies have separate teams that review investments and opportunities specific to those strategies, such as where accounts include the involvement of partner organizations or have need for more regular oversight. In some cases, SKK personnel also serve on the board of directors, or otherwise have direct input and participation in companies and projects in which some SKK strategies invest. Such positions provide another avenue for review and oversight of strategies targeted to those investments. Conflicts of interest related to those positions and relationships are discussed in Item 11 of this brochure.

SKK's Fund Administrator, in coordination with SKK's finance team, produces for SKK-sponsored private equity, venture capital, and real estate accounts quarterly balance sheet and income statement reports. Investors in such funds receive quarterly capital account statements that reflect their starting balance, any account activity during a given period, and their ending balance.

#### Accounts Sub-advised by SK

See SK's form ADV Part 2A for information on the review of accounts sub-advised by SK.

**Item 14: Client Referrals and Other Compensation**

SKK has employees who are involved in marketing SKK's services and products to prospective and existing clients or investors. These employees also have other responsibilities and functions with SKK in the investment, administrative, marketing and/or operational areas of the business and may engage in the solicitation of clients or investors to varying extents. SKK's employees, related investment advisers and outside service providers provide input and services relating to the business of SKK with respect, but not limited, to broad planning for the development of the business of SKK, product development, communications, domestic and international investor needs, investor demographics, marketing, investor relations, further outside service needs, and related matters.

SKK from time to time utilizes the services of third-party broker dealers, and outside service providers to solicit or refer clients, or investors who may be interested in investing in the private investment funds managed by SKK. Outside service providers, such as finders and broker dealers, may receive compensation which is a flat fee, a percentage commission, or a percentage of the amount of management fees, and incentive allocation, paid on assets that the person was primarily responsible for placing under the management of SKK in separately managed accounts or in private investment funds, where and in a manner permitted by law.

See Item 5 (II)(F) Other Fee Information for a description of certain third party fees that may be allocated to specific investors who are introduced by a third party broker dealer.

The compensation paid to employees, a related investment adviser or broker dealer, or outside service providers, to the extent any part of it may be deemed to be for the solicitation or referral of clients, is intended to be in compliance with Rule 206(4)-1 under the Investment Advisers Act of 1940.

**Item 15: Custody**

Pursuant to Rule 206(4)-2 SKK is deemed to have custody of client assets for certain accounts. SKK uses qualified institutional custodians to hold client funds, who will provide account statements directly to account holders no less frequently than quarterly. Clients should carefully review those account statements and are urged to compare them to reports provided by SKK.

SKK also has a form of custody of funds and securities of clients where an entity that has legal ownership or authority over that client's funds or securities is a related person of SKK, including the general partners and managing members of pooled investment vehicles sponsored and advised by SKK. In those cases, SKK generally ensures that such pooled investment vehicles are subject to audit at least annually by an independent public accountant registered with the PCAOB, audited financial statements are distributed to all investors, and that audited financial statements are distributed to investors following liquidation.

SKK may be deemed to have custody of certificates for certain privately offered securities held in the portfolio of funds following the Venture strategy, and other funds holding private securities, although SKK is not required to maintain them in an account with a qualified custodian. SKK has adopted procedures to safeguard all certificates in its custody for SKK Ventures, LLC. SKK maintains such certificates in accordance with relevant regulatory provisions to the extent applicable. Clients that receive account statements from a broker-dealer, bank or other qualified custodian should carefully review those statements and compare them to any account statements they receive from SKK and SK. SKK does not maintain custody of the RIC's assets. The RIC's assets are held by a qualified independent custodian that may maintain custody of such assets with sub-custodians domiciled in the US in accordance with the requirements of Section 17(f) of the Investment Company Act of 1940.

**Item 16: Investment Discretion**

SKK manages client accounts pursuant to discretionary or non-discretionary authority granted to SKK under an investment management agreement. Clients may place limits on such authority. (Generally, see the discussion under Item 4, Advisory Business, relating to the investment discretion that SKK exercises in managing securities accounts on behalf of clients.)

**Item 17: Voting Client Securities**

The following discussion of proxy voting practices relates primarily to SKK. SK does not typically vote proxies, and SKK does not typically vote proxies on accounts sub-advised by SK.

In the case of private securities, typically those managed by SKK in private equity, venture capital, real estate, and similar strategies, voting of securities is managed on a case-by-case basis based on the needs and structure of the account. Voting rights and governance in private companies are generally more variable than in publicly traded companies. For accounts held by pooled investment funds, any voting decisions are typically discussed by the Private Equity Committee and coordinated with rights such accounts may have to appoint board members and otherwise influence the management of the company. In many cases SKK has conflicts of interest in voting or making voting recommendations related to private securities held by accounts it manages due to interests related to underlying portfolio companies, board positions, and other relationships. These conflicts are discussed in Item 11 of this brochure.

**Item 18: Financial Information**

Not applicable

**Item 19: Requirements for State-Registered Advisers**

Not applicable



# Shepherd Kaplan Krochuk, LLC Shepherd Kaplan LLC Peak Capital Management, LLC

## Confidentiality Disclosure / Privacy Policy

This Privacy Policy (“the Policy”) has been adopted by Shepherd Kaplan Krochuk LLC (SKK), Shepherd Kaplan LLC (SK), and Peak Capital Management LLC (PCM) (together as “us”, “we”, “our”, or “the Firms”) to maintain high standards of trust and fiduciary duty in the safekeeping and use of non-public personal and financial data of our prospective and current clients and investors in the private funds we manage (“Non-Public Personal Information”). To that end, we remain committed to maintaining the confidentiality of Non-Public Personal Information we collect. This policy applies to the Firms and the related private investment funds we manage. We follow the privacy policies and practices set forth below:

1. We do not sell any Non-Public Personal Information to any individual, company, or group, or provide such information to nonaffiliates except as described herein.
2. We may receive Non-Public Personal Information from prospective and current clients and investors themselves, and from financial and information service and consumer reporting firms when clients engage our services or investors invest in our funds. We also exchange Non-Public Personal Information with custodians, investment managers, brokers, administrators, and other nonaffiliated financial service providers as required or permitted by law in the course of providing services for the client or investor.
3. All Non-Public Personal Information is treated confidentially. Such information may only be disclosed when the disclosure is consistent with the Firms’ policy or upon direction from the client or investor. We do not share Non-Public Personal Information with any unaffiliated third parties, except with the consent of the client or investor, or in the following circumstances:
  - As necessary to provide the services that the client or investor has requested or authorized, or to maintain and service the account of the client or investor;
  - As required by any applicable law, including without limitation statute, regulation, official request for documents or information from a government or self-regulatory agency in the exercise of valid jurisdiction over the Firms, regulatory examination, the rules of any stock exchange, subpoena, or other judicial or arbitral process; and
  - To the extent reasonably necessary to prevent fraud, unauthorized transactions, claims or other liability.
  - We may use nonpublic personal information to market our own products and services to clients and investors.
4. We restrict access to our Non-Public Personal Information to only those employees or agents of the Firms who need to know that information to facilitate service to clients and investors.
5. We maintain physical, electronic, and procedural safeguards to protect Non-Public Personal Information.
6. Employees or agents with access to Non-Public Personal Information may not use or disclose such information except for business use. All of our employees or agents are required to safeguard such information as specified in their signed agreements with the Firms.
7. If there is a need to dispose of dated Non-Public Personal Information, we require our employees or agents to destroy, not discard, the data.
8. We continue to evaluate our efforts to protect Non-Public Personal Information and make every reasonable effort to keep our privacy policy and practices accurate and current.
9. These policies apply to natural persons who are deemed to be consumers or customers under applicable federal privacy regulations.