

Kiski Partners LLC

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This Brochure provides information about the qualifications and business practices of Kiski Partners LLC. If you have any questions about the contents of this Brochure, please contact us at 212-461-4760 or via email at [kbecker@kiskigroup.com](mailto:kbecker@kiskigroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities' authority.

Kiski Partners LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provides clients with information that they use to determine to hire or retain an Adviser.

## **Item 2 – Material Changes**

On an annual basis, this item will be used to provide clients of Kiski Partners LLC with all material changes made to the Brochure since the last annual update. The Firm will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of its business' fiscal year-end. Further, Kiski Partners LLC will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. There has been no material changes since the Firm filed its initial Brochure dated December 1, 2012.

Currently, Kiski Partners LLC's Brochure may be requested by contacting Kiski Partners, by phone at 212-461-4760 or via email at [info@kiskigroup.com](mailto:info@kiskigroup.com).

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

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\* The SEC requires all investment advisers to organize their disclosure documents according to specific categories listed above, some of which may not pertain to Kiski’s business. When a required category is not relevant to our business, we list the category and state that it does not apply.

#### **Item 4 – Advisory Business**

Kiski Partners LLC (“Kiski Partners”) was founded in February of 2011 and is solely owned by Kevin Becker. Kiski Partners is part of the Kiski companies which are related primarily through the ownership and involvement of Kevin Becker.

Kiski Alpha Partners, LLC was established in 2008 and is owned by Kevin Becker, Justin Wunderlich, Mike Khorrami, and Jack Zimmermann. Since 2008, Kiski Alpha Partners, LLC has been providing sophisticated quantitative, analytical support to institutional investors and hedge fund managers to help them improve their investment processes and investment strategies. Because of this, Kiski Alpha Partners, LLC is uniquely positioned to help hedge funds meet and exceed the evolving standards of institutional allocators.

Kiski Securities LLC, a FINRA registered broker/dealer, was established in 2011 and is 100% owned by Kiski Alpha Partners, LLC. Kiski Securities LLC engages in the following activities: (i); raising capital for hedge funds via private placements that are limited partnerships and limited liability companies, (ii) assisting a QIB and a fund manager form a new investment vehicle for the QIB to invest in and that will be managed by the fund manager.

Kiski Partners will be well positioned to offer investment advice on a wide variety of instruments based upon the vast experience of its personnel. Kiski Partners will focus primarily on alternative investments. Kiski Partners may provide investment advice to investors regarding the appropriateness of an investment in certain alternative investments but may also be involved in the structuring and management of alternative investments either solely or through joint ventures. Other areas of the Kiski organization, like Kiski Alpha Partners, specialize in quantitative analysis, risk management and various consulting services, from which Kiski Partners can leverage.

As of December 31, 2012, the Firm had no assets under management.

#### **Item 5 – Fees and Compensation**

Compensation for advisory services will be negotiable. A typical fee structure for alternative investments the Firm may advise on is anticipated to be one basis point per month on the total assets under management of the alternative investment. If Kiski Partners is serving as the manager or co-manager of the alternative investment, advisory fees could run as high as a 200 basis points annual management fee, billed either monthly or quarterly, of assets under management and 20% of capital gains of the investment calculated annually. Kiski Partners might also charge a flat fee for providing advice and it would be negotiable based upon the specifics of the engagement. Clients are typically asked to pay one month of fees in advance. If

the contract is terminated before the end of a billing period, the fees will be refunded on pro-rated basis.

Clients may also be responsible for payment of transaction related fees as appropriate within any alternative investment. Kiski Partners will not receive any fees related to transactions. While not currently contemplated, circumstances could arise whereby an affiliate of Kiski Partners, Kiski Securities LLC, might receive transaction based compensation including commissions and other transaction costs as appropriate. Such arrangement would be fully disclosed in the offering documents of any investment. The receipt of such compensation would present a conflict of interest in that the Firm could recommend investments based upon the receipt of compensation from the transaction rather than the clients' best interests. The Firm mitigates this risk by ensuring that any investments it recommends are appropriate and suitable for its clients. Further, if transaction based compensation is to be received for an investment, it would be part of the Firm's compensation from the sponsor of the investment for a complete suite of services to the investment sponsor including, but not limited to, distribution, marketing consulting, risk analytics and other services provided by Kiski Partners related entities. These services provide a great depth of knowledge by the Firm of the investment and provide solid due diligence and an assurance that the investment is being managed with an appropriate emphasis on risk management as well as return. Please see Item 10 - Other Financial Industry Activities and Affiliations for additional information on affiliated entities. In most cases, clients may be able to invest in these same products through other brokerage firms not affiliated with Kiski Partners.

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

In certain instances, Kiski Partners may receive performance based fees of up to 20% of capital gains of the investment calculated annually. The existence of performance based fees creates a conflict of interest for the Firm as the potential for such fees may encourage the Firm to favor accounts paying performance based fees over ones that are not. The Firm mitigates this conflict by assuring that all accounts receive the opportunity to invest in appropriate investments regardless of fee structure.

#### **Item 7 – Types of Clients**

Investment advice is expected to be provided primarily to family offices, high net worth individuals, institutional investors and pension plans. The Firm does not currently have a minimum account size.

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

Kiski Partners plans to perform in-depth analysis of each investment strategy by receiving, reviewing and analyzing all of the underlying trade data. The information gained from analyzing the details creates the core of formulating investment advice. Kiski Partners also has the ability

to leverage the services of its affiliates in determining methods of analysis and investment strategies.

All investments carry some amount of risk that clients should be prepared to bear. Kiski Partners investment strategies may be subject to the following principal investment risks:

**Credit Risks** – The risk that the portfolio could lose money if the issuer or guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

**Counter-Party Risks** – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

**Currency Risks** – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

**Debt Securities Risks** – The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

**Derivatives Risks** – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

**Emerging-Markets Risk** – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

**Equity Risks** – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

**ETF Risks** – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

**Foreign Investment Risk** – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

**High-Yield Securities Risk** – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

**Interest-Rate Risk** – The risk that fixed income securities will decline in value because of an increase in interest rates.

**Issuer Risk** – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

**Issuer Non-Diversification Risk** – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

**Leverage Risk** – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

**Liquidity Risk** – A security may not be able to be sold at the time desired or without adversely affecting the price.

**Market Risk** – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

**Mortgage- and Asset-Backed Securities Risk** – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

**Regulatory Risk** – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

**Short Sale Risk** – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to a portfolio.

**Private Securities Risk** – Private securities contain the risks of their respective public securities, but these risks can be magnified due to their illiquidity and lack of public knowledge on the business. These securities are inherently more risky.

Real Estate Risk – The real estate market has experienced some large swings recently. Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments can carry a great deal of risk.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Kiski Partners or the integrity of Kiski Partners' management. Kiski Partners has no information to disclose that is applicable to this item.

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

Kiski Partners is owned by Kevin Becker who, in turn, holds ownership stakes in other financial services related businesses including Kiski Securities LLC, a FINRA registered broker/dealer and Kiski Alpha Partners, LLC a consulting firm that is engaged in consulting and creating integrated solutions for asset management clients and institutional investors. Mr. Becker also owns Kiski Group, LLC, Kiski Securities Holdings LLC, Kiski Strategic Alpha Partners LLC and Kiski Fund Management LLC, which are not engaged in any ongoing business at this time. In certain instances, the Firm may recommend investment products whose sponsors/managers have relationships with one or more of these entities. The existence of these relationships creates a potential conflict of interest in that the Firm could recommend these investments based upon its own or its affiliates' financial interests and not the best interests of the clients. In order to mitigate these conflicts, the Firm will conduct equivalent due diligence on all investment products it recommends to its clients and will ensure that it is basing its decisions and recommendations solely on the merits of the investments and the clients' needs without consideration as to any financial incentive for itself or its related entities.

#### **Item 11 – Code of Ethics**

Kiski Partners has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Kiski Partners must evidence by signature an acknowledgement, acceptance, and understanding of the terms of the Code of Ethics, annually, or as amended.

Kiski Partners anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Kiski Partners has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of



securities in which Kiski Partners, its affiliates and or clients, directly or indirectly, have a position of interest. Kiski Partners employees and persons associated with Kiski Partners are required to follow Kiski Partners Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Kiski Partners and its affiliates may trade for their own accounts in securities which are recommended to and or purchased for Kiski Partners clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Kiski Partners will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based on a determination that these would materially not interfere with the best interest of Kiski Partners' clients. In addition, the Code requires pre-clearance of private placements and initial public offerings of securities and restricts trading in close proximity to client trading activity in publicly traded securities. Nonetheless, because the Code of Ethics, in some circumstances, would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Kiski Partners and its clients.

It is Kiski Partners' policy that the Firm will not effect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker/dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker/dealer or has an affiliated broker/dealer.

Kiski Partners clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting the Firm.

## **Item 12 – Brokerage Practices**

Kiski Partners will supervise and direct the investments of the client accounts subject to such limitations as client may impose in writing. Kiski Partners as agent and attorney-in-fact with respect to client's account and without prior consultation with client, may, (a) direct the purchase, sell, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments, (b) direct the amount of securities purchased, sold,

exchanged, and otherwise traded; and (c) place orders for the execution of such securities transactions with a broker/dealer subject to written limitations imposed by the client.

Kiski Partners will allocate brokerage transactions in a manner it believes to be fair and reasonable to its clients and consistent with client objectives. As most of the Firm's clients' transactions will be private placement in nature, the Firm does not anticipate being able to aggregate trades. In the event it has the opportunity to aggregate purchases or sales of securities for various clients because it receives the same order at the same time for several accounts, the Firm will do so if it feels it benefits its clients. Kiski Partners may direct private placement securities transactions through Kiski Securities LLC whereby Kiski Securities LLC may receive compensation.

Adhering to a strict formula will not be practicable given the variation in client objectives and guidelines. Prospective clients are hereby advised that lower brokerage fees for comparable services may be available from other sources.

### **Item 13 – Review of Accounts**

Kiski Partners will review each account on a quarterly basis, and will compare each investment on a transaction basis, except within funds, to insure that each transaction is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More active accounts and larger accounts may be reviewed on a monthly basis.

The nature and frequency of reports to clients are determined primarily by the particular needs of each client. Clients receive monthly statements from the custodian detailing all activity and assets in the clients' managed accounts.

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

Kiski Partners will not directly or indirectly receive compensation for client referrals from any of its affiliates.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains clients' investment assets. Kiski Partners urges its clients to carefully review such statements and compare such official custodial records to any account statements that the Firm may provide.

**Item 16 – Investment Discretion**

Kiski Partners may receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Kiski Partners observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Kiski Partners in writing.

**Item 17 – Voting Client Securities**

As a matter of Firm policy and practice, Kiski Partners does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Kiski Partners LLC may provide advice to clients regarding the clients' voting of proxies if requested.

**Item 18 – Financial Information**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Kiski Partners' financial condition. Kiski Partners is well capitalized and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.