

## **Item 1: Cover Page**

### **Part 2A of Form ADV Firm Brochure**

January 15, 2014

#### **Promus Asset Management, LLC**

SEC File No. 801-77588

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This brochure provides information about the qualifications and business practices of Promus Asset Management, LLC. If you have any questions about the contents of this brochure, please contact the firm at [compliance@promusassetmanagement.com](mailto:compliance@promusassetmanagement.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Registration with the SEC or any state regulatory authority does not imply a certain level of skill or expertise.

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

## **Item 2: Material Changes**

This Brochure is an interim amendment. This section addresses the material changes that have occurred since the amended firm brochure dated August 30, 2013. Material changes reflected in the Brochure include the following:

- Promus Access GP, LLC became a relying adviser under Promus Asset Management, LLC. Promus Access GP, LLC is the general partner of Promus Access I, LP and Promus Private Equity Access, LP, both funds of private equity funds.
- Promus Holdings, LLC, the sole member of Promus Asset Management, LLC, obtained an interest in RDG Opportunity Fund MM, LLC, which acts as the manager of RDG Opportunity Fund, LLC, a real estate fund.

If you have any questions about this Brochure or would like to request a copy of this Brochure, please contact the firm at [compliance@promusassetmanagement.com](mailto:compliance@promusassetmanagement.com) or 312-784-3990.

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## **Item 4: Advisory Business**

### **Description of Your Advisory Firm**

Promus Asset Management, LLC (“PAM”) is an Illinois limited liability company formed in July 2012. PAM is wholly owned by Promus Holdings, LLC, whose principal owner is the Code Family Partnership, LP. PVM I, LLC (“PVM I”), a relying adviser under PAM, is a Delaware limited liability company formed in April 2013. Promus Access GP, LLC (“PAGP”), a relying adviser under PAM, is a Delaware limited liability company formed in November 2013. In this Brochure, any reference to “Promus” includes PAM, PVM I, LLC, and Promus Access GP, LLC.

### **Description of Advisory Services Offered**

Promus sponsors privately offered investment funds (each a “Fund,” and collectively “Funds”) including funds of hedge and private equity funds, a real estate vehicle, and a venture capital fund. The Funds are organized as limited partnerships or limited liability companies. Promus provides investment advice to the Funds.

Promus serves as the general partner or manager of a Fund and provides advice and assistance to a Fund in accordance with the Fund’s governing documents. Such advice and assistance is generally not tailored to the needs of individual investors in the Funds. Investors in the Funds participate in the overall investment program for the applicable Fund and generally may not impose restrictions on investing.

Certain Funds (e.g., the real estate vehicle, funds of private equity funds, and venture capital fund) raise specific capital commitments that may be called over time. Other Funds (e.g., funds of hedge funds) regularly raise capital which is typically contributed in full at subscription and may be subject to lock-up provisions.

### **Client-Tailored Services and Client-Imposed Restrictions**

Promus does not currently manage any separate accounts, but it may do so in the future. Each Fund has its own governing documents. Promus manages a Fund in accordance with such documentation.

### **Wrap Fee Programs**

Promus does not participate in wrap fee programs.

### **Client Assets Under Management**

As of September 30, 2013, Promus has approximately \$164.7 million in private fund regulatory assets under management.

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

### **Methods of Compensation and Fee Schedule**

Promus receives management and performance fees as described in the Fund offering documents. Promus does not manage individual client portfolios although it may do so in the future.

Promus receives quarterly management fees for its services. Management fees typically range from 0.5% to 2.5% per year depending on the particular Fund. Management fees are typically payable quarterly in advance and may be based on: (i) investor capital account balances; (ii) committed capital; or (iii) called capital. Management fees are normally prorated for the number of days in a period. Each Fund's governing documents set forth the calculation of each Fund's management fee.

In addition to the management fees described above, Promus may receive performance-based compensation equal to a specified percentage of cumulative net profits from a Fund as detailed in the Fund's governing documents. Performance-based compensation may create an incentive on the part of Promus to make investments that are more speculative than would be the case in the absence of performance-based compensation.

Promus may waive, reduce, or rebate management or performance-based fees with respect to certain investors in the Funds.

In addition to the management and performance-based fees discussed above, the Funds will bear certain Fund expenses as set forth in each Fund's governing documents. Each Fund may bear all expenses incurred in connection with the management, operations, or liquidation of the Fund including, but not limited to, the following:

- Third-party legal, audit, tax and accounting fees and expenses;
- Third-party administrator fees and expenses;
- Expenses related to any investment vehicles in which a Fund may invest as part of its investment strategy;
- Organization expenses (including expenses of certain outside professionals related to the offer and sale of Fund interests);
- Investment expenses such as commissions, research fees, and expenses including research-related travel;
- Interest on margin accounts and other indebtedness, if any;
- Custodial fees; and
- Any other expenses reasonably related to the purchase, sale, or transmittal of Fund assets.

### **Client Payment of Fees**

The Funds are typically responsible for their own fees and expenses, such as audit expenses, tax accounting and preparation, K-1 reporting, legal fees, and other fund operating expenses. Ongoing management fees and other operating expenses are deducted from the investor's capital account balance as disclosed in the applicable Fund's governing documents.

**Prepayment of Client Fees**

All management fees are governed under an agreement with the Fund. Promus's fees will be paid directly by the Fund as detailed in the applicable Fund's governing documents.

**Compensation for the Sale of Securities to Clients**

Promus personnel are compensated solely through salary and discretionary bonus and do not receive sales commissions from the Funds.

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

As described under Item 5, Promus may receive performance-based fees from the Funds as described in a Fund's governing documents. Performance-based fees may create an incentive for Promus to recommend riskier or more speculative investments in an attempt to earn higher fees than might otherwise be recommended in the absence of performance-based fees. Incurring additional risk leads to a higher probability of loss which may conflict with an investor's risk tolerance and investment objectives. Performance-based fees also create the incentive for Promus to favor Funds for which it receives performance-based fees over Funds that only pay management fees. Other risks of performance-based fees include overstating the value of illiquid or hard to value investments. Performance-based fees are typically based on realized and unrealized gains and losses. Thus, Promus could earn a performance-based fee on gains that a Fund never realizes.

Promus advises Funds that may make similar or different underlying investments. Any allocation or apportionment of a particular investment opportunity will be made in a manner that is fair and equitable to all applicable Funds under the circumstances, taking into account various Fund characteristics including, but not limited to, size, amount of available capital, investment strategy, risk profile, liquidity, overall portfolio composition, trading activity, and tax and legal considerations. Any action of Promus with respect to a particular investment may, for a particular Fund, differ from or conflict with the recommendation, advice, or actions of Promus to or on behalf of other Funds.

Promus has addressed these conflicts by policies and procedures designed to ensure that all Funds are treated fairly. Promus does not consider performance or fee structures when making investment and allocation decisions for the Funds.

## **Item 7: Types of Clients**

Promus provides investment advice to Funds, which are limited partnerships or limited liability companies formed under domestic laws and operated as investment pools exempt from registration under the Investment Company Act of 1940, as amended. The investors participating in Funds may include family offices and high net worth individuals. Investors may also include personnel of Promus and its affiliates.

Each Fund's offering materials disclose the minimum investment that a Fund will accept. The Fund's general partner or manager may, in its sole discretion, increase or decrease the minimum investment amount for any investor in a particular Fund. Prior to investing in a Fund, an investor must complete a subscription agreement containing representations needed to establish the investor's eligibility to invest in the Fund.



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

### **Methods of Analysis and Investment Strategies**

Each Fund is uniquely managed by its manager or general partner, as applicable, and each Fund's investment strategy and methodology is detailed in the Fund's offering documents. The manager or general partner may rely on its personnel's operational and investment experience in specific industries, its own independent research, and other third-party sources.

With respect to Funds of hedge funds, PAM seeks to identify and invest with multiple managers with diverse styles and strategies to achieve superior long-term risk-adjusted returns while keeping capital preservation as a central precept. PAM aims to identify individual private fund managers that it believes are excellent managers of risk and can potentially each earn superior long-term returns. PAM believes that diversifying across multiple managers with multiple strategies will reduce the volatility of these Funds' returns.

With respect to the real estate Fund, PAM seeks to identify and invest in proprietary real estate investment opportunities to add diversification, inflation protection, and income to investor portfolios while keeping capital preservation as a central precept. PAM's evaluation process generally considers the income potential of an opportunity, the feasibility of selling an asset for a profit, and the holding period required before the asset would become profitable.

With respect to the Funds of private equity funds, PAGP seeks to identify and invest in private equity funds that focus on niche opportunities and lower middle market companies to provide investors with access to a balanced and diversified portfolio of private equity investments.

With respect to the venture capital Fund, PVM I seeks to identify and invest in disruptive early-stage software companies that deliver analytic and data-driven products and services.

Funds managed by Promus are often viewed as highly speculative investments and are not intended to be a complete investment program. The Funds are designed only for sophisticated persons who can bear the economic risk of the loss of all or a portion of their investment and who have a limited need for liquidity. The risks of investing in a Fund should be carefully evaluated before making an investment. All investors should carefully review the risk factors and potential conflicts of interest set forth in a Fund's offering documents before investing.

### **Investment Strategy and Method of Analysis Material Risks**

Identifying and participating in attractive investment opportunities are difficult tasks. A Fund's investments will not necessarily be profitable and there is a substantial risk that a Fund's losses will exceed its gains. Generally, little, if any, publicly available information exists regarding the investments held by the Funds. Many investment decisions depend upon the ability of Promus to obtain relevant information from non-public sources. A Fund will often be required to make decisions without complete information or in reliance upon information provided by third parties that cannot readily be verified. The marketability and value of each investment depends upon many factors beyond a Fund's control. Underlying investments may have substantial variations in results from period to period, face intense competition, and experience failures or substantial

declines in value. Underlying investments may need substantial additional equity or debt capital to support growth or to achieve or maintain a competitive position. Such capital, if available, may not offer attractive terms. Generally, a Fund's investments are illiquid and difficult to value. In most cases, a Fund's investments will be long-term in nature and may require years from the date of initial investment before liquidation.

The returns of the Funds may depend on the performance of unrelated investment managers. The Funds generally hold interests in underlying private funds or companies and do not participate in the management and control of such funds or companies.

The Funds' ability to earn strong returns for their investors and, in turn, Promus's ability to continue to attract investors depends upon the ability of Promus to find quality investment opportunities. There is no assurance that the Funds can locate and make quality investments at attractive prices or that the investments made will ultimately satisfy the investment objectives of the Funds.

In addition, adverse changes in legal, regulatory, and fiscal regimes may occur. Promus may be unable to adjust its structure or investment program to adapt to such changes. Changes in economic conditions may occur and adversely affect the Funds' investments. Promus may be unable to adapt to such changes and mitigate any corresponding losses due to the illiquid nature of the Funds' investments.

The investments in the Funds as well as the Funds' underlying investments are typically highly illiquid. Many interests in private funds are not registered under the Securities Act of 1933, as amended, and may not be transferred unless registered under applicable federal or state securities laws or if exemptions from such laws are available. A Fund's ability to make new investments is contingent upon timely capital call payments by Fund investors, the performance of existing investments, and economic and market conditions.

Additional risks relevant to investments in the Funds will be described in each Fund's offering documents.

### **Concentration Risks**

An inherent risk exists for Funds whose investment portfolios lack diversification (e.g., heavily weighted in one investment, industry, geographic location, or underlying investment manager). Funds with diversified portfolios generally incur less volatility and less fluctuation in portfolio value than those with concentrated holdings. While concentrated holdings may offer the potential for higher gains, such holdings also may suffer significant losses.

## **Item 9: Disciplinary Information**

None.

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

### **Broker-Dealer or Representative Registration**

Promus is not registered as broker-dealer and does not have a pending application to register.

### **Futures or Commodity Registration**

Promus is not registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading advisor. As the general partner of funds of funds, PAM has claimed a temporary exemption from registration as a commodity pool operator by its submission of a request for no-action relief pursuant to CFTC Letter 12-38. PAM is a principal of Triad Trading, LLC, a wholly owned registered commodity pool operator and commodity trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Promus Holdings, LLC wholly owns PAM and Promus Capital, LLC, a registered investment adviser. Promus Capital provides investment advisory and financial planning services to individuals, trusts, corporations, partnerships, retirement plans, tax exempt, and other legal entities. Such investment advisory services may include investment strategy, portfolio management, and financial planning. Promus Capital's clients may be solicited to invest in the Funds.

PAM's managers are also affiliated with Promus Holdings and Promus Capital. J. Zachary Musso and Brian B. Musso spend approximately 50% of their time managing the businesses of Promus Holdings and Promus Capital. Steven Brown spends 25% of his time managing the business of Promus Holdings.

Promus Holdings also owns a minority interest in RDG Opportunity Fund MM, LLC, which acts as the manager of RDG Opportunity Fund, LLC, a real estate fund focused on residential and mixed use properties, tax liens, distressed debt, and hard-money loans.

In addition, the members of Promus Holdings, LLC each own an interest in Creation Investments Global Management, LLC, which acts as the general partner of Creation Investments Social Ventures Fund II, LP, a private equity fund focused on international microfinance investments.

Promus provides investment advice to the Funds and may serve as the general partner or manager of Funds. PVM I, LLC and Promus Access GP, LLC are relying advisers under PAM. PAM wholly owns two exempt reporting advisers, Triad Trading, LLC and Promus Equity Partners, LLC.

PAM serves as the general partner of MCM Fund, LP and MCM Eleven, LP and also manages Promus Real Estate Conduit, LLC.

PVM I, LLC, a relying adviser, serves as the general partner of Promus Ventures I, LP, a venture capital fund.

Promus Access GP, LLC, a relying adviser, serves as the general partner of Promus Access I, LP and Promus Private Equity Access, LP, both private equity funds of funds.

Triad Trading, LLC, an exempt reporting adviser, is registered with the National Futures Association and the Commodity Futures Trading Commission as a commodity pool operator and commodity trading advisor. Triad Trading serves as the general partner of Triad Futures, LP, a managed futures pool, and MCM Diversified Futures, LP, a fund of commodity pools. Triad Trading, LLC also trades futures contracts for individual managed accounts.

Promus Equity Partners, LLC, an exempt reporting adviser, manages special purpose vehicles that make direct private equity investments in lower middle market companies. These special purpose vehicles may make add-on acquisitions from time to time. Promus Equity Partners manages AM Group Holdings, LLC, Associated Group Holdings, LLC, Fulcrum Investment Partners, LLC, MetaSource Co-Investment, LLC, PEP Nat Gas Project, LLC, Prologic Acquisition, LLC, ProSteel Security Products Holdings, LLC, and Quality Control Holdings, LLC.

Promus's personnel may have conflicts of interest in allocating their time and activity between the Funds, Promus, Promus Capital, Triad Trading, and Promus Equity Partners. Further, Promus personnel may have conflicts of interest in allocating investments among Funds and in effecting transactions for the Funds.

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

### **Code of Ethics Description**

In accordance with the Advisers Act, PAM has adopted a code of ethics (the “Code”) that includes written procedures governing the conduct of Promus personnel. PAM will provide clients or prospective clients with a copy of the Code upon request.

Promus requires its personnel to adhere to the Code, which provides that personnel must put the interests of Promus’s clients first in every situation and deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, and taking investment action. Among other things, the Code imposes certain requirements on Promus access persons with respect to their personal securities transactions, addresses privacy and confidentiality obligations, and requires Promus personnel to comply with all applicable federal securities laws and regulations.

### **Participation or Interest in Client Transactions & Personal Trading**

Promus does not engage in principal trading (i.e., the practice of selling securities to clients from a firm’s inventory or buying securities from clients into a firm’s inventory). However, Promus may purchase or sell for or recommend to Funds certain investments in which it or its affiliates and their respective officers, directors, employees, principals, partners, and families (collectively, the “Related Persons”) have an economic interest (e.g., as an investor, adviser, general partner, or manager).

The Related Parties may serve as advisers or managers to other funds or conduct investment activities for their own accounts. Such other entities or accounts may have investment objectives or investment strategies similar to those of the Funds. The Related Parties may engage in securities transactions for their own accounts that differ from those recommended or effected for the Funds.

Promus and the Related Parties may purchase or sell the same securities (including interests in underlying investments) as are purchased or sold for or recommended to Funds in accordance with the Code. Such transactions may take place at or about the same time that such transactions are made for or recommended to Funds. The personal securities transactions by access persons may raise potential conflicts of interest when such transactions are made in a security that is either owned by a Fund or considered for purchase or sale for a Fund. Promus has adopted policies and procedures that are intended to address these conflicts of interest. Promus personnel must follow Promus’s procedures when purchasing or selling the same investments purchased or sold for the client. Pre-clearance request forms must be completed by each access person and approved by Promus’s Chief Compliance Officer before making an investment in a private placement or IPO. Further, each access person’s securities transactions are reviewed and such transactions may be reversed if inconsistent with the Code.

## **Item 12: Brokerage Practices**

Promus, in its capacity as general partner or manager, has discretion to determine the underlying investments in which a Fund invests. As Promus negotiates investments in underlying funds on a private placement basis, Promus does not utilize brokers or dealers in connection with such investments. In the event a Fund receives an in-kind distribution from an underlying investment, Promus will select a broker based on various factors including, but not limited to, expertise in the particular type of security or transaction, cost, ability to keep the account for an extended period of time without requiring activity charges, period of time to dispose of securities, frequency of trades, and access to relevant markets.

Promus does not utilize soft dollar arrangements.

Promus does not engage in the practice of directing brokerage commissions in exchange for the referral of clients.

Since Promus's Funds do not generally invest in listed securities, it is unlikely Promus would be able to aggregate a client's trading with another client. To the extent possible, Promus could seek to aggregate client trades in listed securities.

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

The investments made by the Funds are typically private, illiquid, and long-term in nature. Thus, the review process is not directed toward a short-term decision to dispose of securities. Nevertheless, Promus's investment professionals will conduct reviews of investments held by the Funds. This review may include analyzing financial statements and periodic reports, attending annual and informal meetings, checking allocations of income and loss, and reviewing financial statements, valuations, transactions, and underlying investment information.

Promus may perform ad hoc reviews on an as-needed basis if there has been a material change in the Fund's investment objectives or in how Promus formulates investment advice.

Each Fund investor will receive monthly or quarterly summaries of the Fund's performance and of such investor's estimated Capital Account activity and balance for that month or quarter. Fund investors will also receive an annual report for such year containing financial statements and a statement showing the change to such holder's Capital Account with respect to such year. Tax information, including a Schedule K-1, will be provided to Fund investors as soon as reasonably practicable following each calendar year. Promus, in its discretion, may from time to time and at any time furnish additional reports to the Fund investors.



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

Promus may receive direct or indirect benefits for referring certain of its Funds to third parties for various services such as tax, accounting, and other professional services.

PAM and PVM I do not currently enter into agreements with solicitors who refer prospective advisory clients to PAM in return for a fee.

PAGP has engaged a registered broker-dealer as the exclusive selling agent of interests in a Fund for which PAGP serves as the general partner. PAGP pays the selling agent a portion of the management fees received from such Fund with respect to each limited partner introduced by the selling agent. An affiliate of the selling agent holds a minority ownership interest in PAGP, which creates an additional incentive for such selling agent to make referrals. PAGP and the selling agent manage this conflict of interest by disclosing the arrangement to potential investors.

## **Item 15: Custody**

Promus, in its capacity as general partner or manager, may be deemed to have custody of its Funds' assets under Rule 206(4)(2) of the Advisers Act (the "Custody Rule"). Promus has implemented policies and procedures to comply with the Custody Rule's requirements. Promus requires an annual audit of its funds by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). Since the Funds invest in privately offered securities, the Funds do not use a custodian in the customary sense. Promus, on behalf of the Funds, maintains bank accounts in each respective Fund's name where monies are deposited by investors to fund underlying investments.

## **Item 16: Investment Discretion**

Promus acts as a general partner or manager for Funds. As such, Promus has full discretionary authority to act on behalf of the Funds in all aspects. Such activity includes, but is not limited to, acquisition and disposition of Funds' assets, control of Funds' bank accounts, the selection of third-party vendors, selection of advisers, authorizing terms of contractual agreements, and any and all matters related to the operation, financing, and management of the Funds.

## **Item 17: Voting Client Securities**

As general partner or manager of the Funds, Promus is responsible for reviewing and voting any proxies of the underlying investments consistent with the fiduciary interests of the Funds. When an underlying fund, as issuer of securities in which a Fund is invested, sends a proxy proposal to Promus, the proposal is forwarded to the portfolio manager who is responsible for that Fund. The portfolio manager reviews the proposal and makes a voting recommendation.

Promus will maintain records of any votes made along with the rationale for such votes.

## **Item 18: Financial Information**

Promus does not require the prepayment of fees more than six months in advance, and as such, is not required to file a balance sheet. Promus does not have any financial issues that would impair its ability to provide services to clients. There are no bankruptcy petitions to report.