

**Item 1.**  
**Cover Page**

**SJK Capital Management LLC**

**Part 2A of Form ADV**

**The Brochure**

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March 26, 2015

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This brochure (this "Brochure") provides information about the qualifications and business practices of SJK Capital Management LLC (the "Investment Adviser" or "SJK Capital"). If you have any questions about the contents of this Brochure, please contact the Investment Adviser at the above phone number. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about the Investment Adviser is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. The securities of the funds have been and will continue to be offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended (the "Securities Act") and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. Any offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.

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**Item 2. Material Changes**

While there are changes to this Brochure since the Investment Adviser's last update, which was filed on November 21, 2014, the Investment Adviser does not believe that any of them are material to the Investment Adviser or its business. If the Investment Adviser makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

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**Item 4. Advisory Business**

- A.** SJK Capital Management LLC ( "SJK Capital" or the "Investment Adviser"), a Delaware limited liability company, was formed on May 17, 2013 and commenced operations on approximately November 1, 2013, employing an investment strategy primarily focusing on long/short investing in equity securities. SJK Capital currently has one office located in New York City where its officers and employees are based. All assets are managed on a discretionary basis in one portfolio.

Philip Korn is the founder and principal owner of the Investment Adviser and serves as its portfolio manager (the "Portfolio Manager"). Mr. Korn is responsible for all investment decisions of the Investment Adviser, as well as supervising of all of the Investment Adviser's personnel. Mr. Korn is subject to the Investment Adviser's compliance policies and procedures, while the Chief Financial Officer/Chief Compliance Officer has primary responsibility for overseeing the Investment Adviser's compliance policies and procedures.

- B.** SJK Capital provides investment management services to private investment funds (i.e., hedge funds). The Funds managed include SJK Capital Fund LP, SJK Capital Offshore Fund Ltd and SJK Capital Master Fund Ltd (each a "Fund", and collectively the "Funds"). From time to time, the Investment Adviser also may act as adviser to managed accounts. In this document, any reference to "Client" means the Funds and any other advisory or sub-advisory client of the Investment Adviser.

SJK Capital Fund LP is a Delaware limited liability partnership of which SJK Capital GP LLC, a Delaware limited liability company, is the general partner (the "General Partner"). Philip Korn is the managing member (the "Managing Member") of the General Partner and of the Investment Adviser. SJK Capital Offshore Fund Ltd is an exempted company incorporated under the laws of the Cayman Islands. SJK Capital Fund LP and SJK Capital Offshore Fund Ltd invest all or substantially all of their assets in SJK Capital Master Fund Ltd, an exempted company incorporated under the laws of the Cayman Islands.

The interests in SJK Capital Fund LP are offered on a private placement basis, and in reliance on Sections 3(c)(1) and 3(c)(7) of the Investment Company Act of 1940, as amended (the "Company Act"), to persons who are both "accredited investors" as defined under the Securities Act and "qualified purchasers" as defined under the Company Act, and who are subject to certain other conditions, which are set forth in the offering documents of SJK Capital Fund LP.

Shares in SJK Capital Offshore Fund Ltd are generally offered to persons (a) who are not "U.S. Persons", as defined under Regulation S of the Securities Act, or who are tax-exempt U.S. Persons (or entities substantially comprised of tax-exempt U.S. Persons) on a private placement basis, and (b) who are subject to certain other conditions, which are set forth in the offering documents of SJK Capital Offshore Fund Ltd.

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The Funds are authorized to issue member interests or to issue shares, as the case may be, and as determined from time to time by the Investment Adviser, General Partner or the Board of Directors, as applicable, which may differ in terms of, among other things, management fees and incentive allocation, redemption/withdrawal rights and minimum initial and additional subscription amounts.

The Investment Adviser serves as the management company to, and has discretionary trading authority with respect to, the Funds and has overall responsibility for the investment strategy with respect to the Funds (subject, in the case of SJK Capital Offshore Fund Ltd and SJK Master Fund Ltd, to the policies and control of the Board of Directors).

- C. SJK Capital does not tailor its investment management services to the individual needs of clients as it provides its services to the Funds, not individuals. As stated in 4B, above, SJK Capital defines its clients as the Funds and henceforth the term "Client" refers to each Fund or other pooled investment vehicle.
- D. SJK Capital does not participate in any wrap fee programs.
- E. As of December 31, 2014 SJK Capital had approximately \$56,657,443 in regulatory assets under management, all on a discretionary basis.

## **Item 5. Fees and Compensation**

### **Asset-Based Compensation**

Each fiscal quarter, SJK Capital Master Fund Ltd pays the Investment Adviser a management fee (the "Management Fee") in advance ranging from 0.375% to 0.4375% (1.5% to 1.75% per annum) of the aggregate net asset value of the fee-paying investors in the Funds as of the first day of that calendar quarter. The Funds calculate the Management Fee on a monthly basis as part of the net asset valuation and deem it as a direct expense of the Funds.

### **Performance-Based Compensation**

Subject to a high water mark (or loss carryforward provision), as of the last business day of each fiscal year, the General Partner, as the holder of allocation class shares in SJK Capital Master Fund Ltd, will be entitled to receive an incentive allocation from SJK Capital Master Fund Ltd (the "Incentive Allocation") ranging from 15% to 20% of any net profits (including unrealized gains and losses), reduced by the Management Fee, and all items of income, loss and expense incurred at the feeder fund level (i.e., SJK Capital Fund LP and SJK Capital Offshore Fund Ltd) will be taken into account, as described more fully in each applicable Fund's private placement memorandum.

The Incentive Allocation will be made at the level of SJK Capital Master Fund Ltd and no incentive allocation will be made at the level of SJK Capital Fund LP or SJK Capital Offshore Fund Ltd.

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The Management Fee and the Incentive Allocation may be waived or modified for certain investors in a Fund, including but not limited to members, employees or affiliates of the Investment Adviser or the General Partner, relatives of such persons, and for certain large or strategic investors.

More detailed information about the fees and allocations paid by investors in the Funds may be found in each Fund's private placement memorandum.

The Management Fee and the Incentive Allocation are calculated by the Funds' administrator.

Certain ongoing costs and expense associated with the administration and operation of the Funds, including legal, compliance, administrator, audit and accounting expenses (including third party accounting services); shareholder proxy voting services; organizational expenses; investment expenses such as commissions, research fees and expenses (including research-related travel); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O insurance for the Investment Adviser, General Partner and outside directorship liability); expenses of regulatory compliance, filings and reporting (including but not limited to Form PF, when applicable); directors' fees and expenses; and any other expenses reasonably related to the purchase, sale or transmittal of Funds assets, are borne by the relevant Fund, as described in each applicable Funds' private placement memorandum. The Funds generally invest substantially all of their assets through a "master-feeder" structure, conducting their investment and trading activities indirectly through an investment in SJK Capital Master Fund Ltd, which was formed to conduct trading activities on behalf of the Funds, unless the Investment Adviser determines that it is advantageous to do otherwise. No additional Management Fees will be payable or Incentive Allocations allocable by the Funds in connection with the Funds' investment in SJK Capital Master Fund Ltd. The Funds are responsible, as an investor in SJK Capital Master Fund Ltd, for their pro rata share of the operating and administration expenses of SJK Capital Master Fund Ltd.

No employee of SJK Capital accepts compensation for the sale of securities or other investment products.

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

As described in Item 5 above, the General Partner, an affiliate of SJK Capital, accepts performance-based compensation, referred to as the "Incentive Allocation". It receives this performance-based compensation from SJK Capital Master Fund Ltd. All Funds are subject to the same performance-based compensation (payable at the level of SJK Capital Master Fund Ltd) and as such, the Investment Adviser does not face the conflicts of interest that may arise when an investment adviser accepts performance-based compensation from some clients, but not from other clients.

#### **Item 7. Types of Clients**

The Investment Adviser provides advice to the Funds, which are private investment funds, as

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described above. A minimum investment amount of \$1,000,000 (\$500,000 for additional subscriptions) are required for opening an account in SJK Capital Fund LP or SJK Capital Offshore Fund Ltd, as provided in the relevant offering documents. The General Partner of SJK Capital Fund LP or the Board of Directors of SJK Capital Offshore Fund Ltd (or SJK Capital) may waive the minimum investment amounts for investments in the relevant Funds.

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

An investment in the Funds may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who can bear the economic risk of the loss of their entire investment in the Funds and who have a limited need for liquidity in their investment. There can be no assurance that the Funds will achieve their investment objective.

### **Methods of Analysis**

In general, ideas are generated through internal research, leveraging the existing network and using external sources. SJK Capital employs a top-down and bottom-up analysis to identify companies that are trading at what SJK Capital views as compelling probabilistic weighted return to risk.

SJK Capital draws on many resources to generate these ideas, including through combining analysis of fundamental, valuation, price and other data, including public financial statements, attending industry conferences, company visits and speaking with industry contacts and analysts per sector, country or strategy, as well as with industry participants. Further ideas are generated from market events, news flow, media and broker research.

Once an investment prospect is identified, a more detailed review of the opportunity is conducted to further assess the viability of a potential investment. Probabilities are assigned to the range of economic outcomes, which in turn creates a return to risk profile.

### **Investment Strategy**

The investment objective of the Funds (through their investment in SJK Capital Master Fund Ltd) is to generate consistent superior risk-adjusted returns by investing primarily in long and short equity positions in global service companies across all market capitalizations and sectors. Service companies include a range of companies that in general primarily provide intangible services to businesses, governments or consumers (as opposed to being engaged primarily in the manufacture or sale of tangible products). Service companies touch most areas of the economy, including the healthcare, financial, energy, technology, industrial, retail and communication sectors.

The Funds will primarily invest in equity securities of issuers in developed and emerging markets, including, without limitation, those in North America, the United Kingdom, Europe, Asia Pacific and Latin America. As discussed below, the Funds have broad and flexible investment authority, and may also invest in other securities or financial instruments of issuers in various industry sectors, geographic regions and markets, as well as in non-service companies.

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It is anticipated that the typical portfolio of the Funds generally will contain 30 to 60 long positions and 30 to 70 short positions, with the overall allocation typically resulting in net long exposure. However, the Funds' portfolio holdings may fall outside of these parameters.

The Investment Adviser will seek to monitor the market and the Funds' positions and attempt to maintain what it believes to be appropriate risk and volatility levels. The Investment Adviser will attempt to identify, quantify and manage portfolio risks over the course of expected investment horizons to seek to optimize performance.

The Investment Adviser intends to pursue the investment objective described above and will generally follow the outlined investment strategies for so long as such strategies are in accord with the Funds' investment approaches and may also formulate new approaches to carry out the overall objective of the Funds.

While it is anticipated that the Funds will invest primarily in service companies, the Funds have broad and flexible investment authority. In order to maintain flexibility and capitalize on investment opportunities as they arise, the Funds are not required to invest any particular percentage of their portfolio in any type of investment or region, and the amount of the Funds' portfolio which is invested in any type of investment, which is long or short, or which is weighted in different countries or different sectors, can change at any time based on the availability of attractive market opportunities.

Accordingly, the Funds' investments may at any time include, without limitation, either directly or through its investment in SJK Capital Master Fund Ltd, long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate or sovereign debt, bonds, notes or other debentures or debt participations, partnership interests, interests in investment companies, depositary receipts, exchange traded funds and other registered investment companies, indices, convertible securities, swaps, options (purchased or written), repurchase and reverse repurchase agreements, futures contracts and other derivative instruments and other securities or financial instruments.

The Funds may also invest in new issues of securities (equity securities that are part of an initial public offering), provided that the Funds first comply with all of the rules and regulations pertaining to such investments, including the applicable rules of the U.S. Financial Industry Regulatory Authority, Inc. (the "FINRA Rules"). The Investment Adviser may create special purpose subsidiaries in order to facilitate certain of the investments discussed in this Brochure.

Finally, as discussed below under "Use of Leverage", the Investment Adviser will utilize leverage.

### **Material Risks (Including Significant or Unusual Risks) Relating to Investment Strategy**

An explanation of the material risks associated with the Investment Adviser's principal investment strategy and methods of analysis follows.

#### **Nature of Investments**

While it is anticipated that the Funds will invest primarily in the equity securities of service



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companies, the Funds have broad and flexible investment authority. The Funds' investments may be affected by business, financial market or legal uncertainties. There can be no assurance that the Investment Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and the value of its investments. In addition, the value of the Funds' portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Funds' investment objectives will be achieved.

### **Service Sector Investments**

As Funds investing primarily in global service companies, the Funds are subject to the risks associated with investments in service companies, in addition to the general risks of the stock and bond markets. This means that the Funds are more vulnerable to price fluctuations of service companies and other factors that particularly affect the service industry than a more broadly diversified portfolio.

### **Use of Leverage**

As noted above, the Funds will utilize leverage. The amount of leverage used will vary with the number and quality of investment opportunities available to the Funds and with the Investment Adviser's perceived risk level of the portfolio. The Funds' gross exposure is expected to generally range from 150-300%, although it may be substantially below or above that range. It is anticipated that the average leverage will be approximately 200%, subject to market conditions.

This use of leverage results in the Funds controlling substantially more assets than the Funds have equity. Leverage increases the Funds' returns if the Funds earn a greater return on investments purchased with borrowed funds than the Funds' cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying their losses.

In an unsettled credit environment, the Investment Adviser may find it difficult or impossible to obtain leverage for the Funds. In such event, the Funds could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Adviser being forced to unwind the Funds' positions quickly and at prices below what the Investment Adviser deems to be fair value for such positions.

### **Short Sales**

Short sales can, in certain circumstances, substantially increase the impact of adverse price

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movements on the Funds' portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

There is also the risk that the securities borrowed by the Funds in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Funds may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. The Funds' inability to continue to borrow securities previously sold short may also force the Funds to unwind other elements of an investment position, possibly at a loss. From time to time, regulatory or legislative action taken by regulators around the world may restrict the ability of the Investment Adviser to enter into short sales.

### **Small to Medium Capitalization Companies**

The Funds may invest a portion of its assets in the stocks of companies with small to medium-sized market capitalizations. While the Investment Adviser believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

### **Lack of Diversification**

Although the Funds have no investment restrictions with respect to types of securities, countries or industry sectors, the Funds' portfolio is expected to be concentrated primarily in global service companies, and may not be as diversified as other investment vehicles. Accordingly, the Funds' portfolio may be subject to more rapid change in value than would be the case if the Funds were required to maintain a wide diversification.

### **Convergence Risk**

The Funds may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the Funds' trading positions were to fail to converge toward, or were to diverge further from, the Investment Adviser's expectations, the Funds may incur a loss.

### **Portfolio Turnover**

The investment strategy of the Funds may require the Investment Adviser to actively trade the Funds' portfolio, and as a result, turnover and brokerage commission expenses of the Funds may significantly exceed those of other more traditional investment entities of comparable size, which may reduce profits.

### **Risk Control Framework**

No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by the Investment Adviser will achieve its objective. Target risk limits developed by the Investment Adviser may be based upon historical trading patterns for the securities and financial instruments in which the Funds invest. No assurance can be given that such historical trading patterns will accurately predict future trading patterns. The Funds have a long bias with average net exposure generally expected to be in the range of 20-25%. Net exposure, as a guideline, is not anticipated to go above 40%.

### **Counterparty Risk**

To the extent that the Funds invest in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Funds take the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

### **Brokerage and Custodial Risk**

There are risks involved in dealing with the custodians or prime brokers who settle trades for the Funds. The Funds maintain custody accounts with each of its prime brokers and custodians, Morgan Stanley & Co. and Merrill Lynch Professional Clearing Corp. (the "Prime Brokers"). Although the Investment Adviser monitors the Prime Brokers and believes that they are appropriate custodians, there is no guarantee that the Prime Brokers, or any other custodian that the Funds may use, from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of the Funds' assets, the Funds would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, the ultimate receipt of different assets, or some combination of all of the foregoing.

### **Reliance on Corporate Management and Financial Reporting**

The Investment Adviser's strategy will rely on the financial information made publicly available by the issuers in which the Funds will invest. The Investment Adviser has no ability to independently verify the financial information disseminated by the numerous issuers in which it may invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general.

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Corporate mismanagement, fraud and accounting irregularities relating to the issuers in which the Funds invest may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement.

**Reliance on Key Personnel**

The Investment Adviser relies heavily on the services of the Managing Member, Philip Korn. Mr. Korn is responsible for all of the major decisions affecting the Funds. Should Mr. Korn determine to discontinue managing the affairs of, or withdraw from, the Investment Adviser or should Mr. Korn die, be incapacitated or, for some other reason, be unable to effectively manage the affairs of the Investment Adviser, the business and results of the operations of the Funds may be adversely affected.

**Material Risks Associated with Types of Securities that are Primarily Recommended (Including Significant or Unusual Risks)**

An explanation of material risks associated with the types of securities that are primarily recommended (including significant or unusual risks) follows.

**Equity Related Instruments and Equity Securities in General**

Investments in equity securities may include a broad variety of issuers and instruments. There are no overall requirements with respect to earnings, revenues, market capitalization or other criteria to limit the Investment Adviser's particular types of equity investments. Accordingly, equity investments may include many securities which are speculative or are of higher risk than those of the most mature or prominent companies. Long/short strategies and other strategies that may be employed, such as pairs investing, depend largely upon identifying securities with appropriate features of negative correlation, i.e., that a loss in one position (whether long or short) will be more than outweighed by a gain in a related position. Similar to various types of arbitrage, if the anticipated pattern of price correlation does not in fact occur, or if the positions are not appropriately weighted, losses may occur.

The Investment Adviser may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including, but not limited to, market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

**Options**

The purchase or sale of an option involves the payment or receipt of a premium by the Funds and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument 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 Funds lose their premium. Selling options involves potentially greater risk because the Funds are exposed to the extent of the actual price movement in the

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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.

### **Non-U.S. Securities**

The Funds may invest in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and the utilization of options on non-U.S. securities. This involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

### **Currency Risks**

Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments. The Investment Adviser may try to hedge these risks, but there can be no assurance that it will implement a hedging strategy, or if it implements one, that it will be effective.

### **Derivatives**

To the extent that the Funds invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Funds may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Funds, and hence the Funds should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

The foregoing does not purport to be a complete explanation of the risks involved in trading securities or with respect to any investment strategy.

**Item 9. Disciplinary Information**

This item is not applicable.

**Item 10. Other Financial Industry Activities and Affiliations**

This item is not applicable.

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

- A.** The Investment Adviser adopted a Code of Ethics ("Code") in an effort to assist it and its members, officers and employees (collectively, "Associated Persons") in meeting its fiduciary obligations. The Code is distributed to each new Associated Person at the time of hire, and Associated Persons are required to re-read and certify it no less than annually. The Investment Adviser also supplements the Code with training upon hire and periodically thereafter.

The general guidelines for the Code are as follows: No Associated Person of SJK Capital may trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another in violation of the law. Any questions regarding this policy and the related procedures set out in the Code should be referred to the Chief Compliance Officer. Under the Code all Associated Persons of SJK Capital shall comply strictly with the procedures established by SJK Capital to ensure compliance with applicable federal and state laws and regulation. Any Associated Person encountering evidence that acts in violation of applicable statutes or regulations or provisions of the Code may have occurred is required to report such evidence to the Chief Compliance Officer.

Associated Persons are not permitted to accept gifts or other accommodations from persons or companies who are trying to solicit business from SJK Capital or who are engaged in business with SJK Capital that might in any way create or appear to create a conflict of interest or interfere with the impartial discharge of SJK Capital's responsibilities to Clients. All Associated Persons are responsible for safeguarding non-public information about securities recommendations and Client holdings. Anyone in SJK Capital with access to such information will be subject to additional personal investing limitations under SJK Capital's personal investing policy.

Associated Persons may not serve on the board of directors of any outside company without the Investment Adviser's prior written approval.

Upon request SJK Capital can and will provide a copy of the Code to prospective and existing Clients.

- B.** This question is not applicable as SJK Capital or a related person does not recommend to Clients, or buy or sell for Client accounts, securities in which SJK Capital or a related person has a material financial interest. In addition, SJK Capital

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does not invest for its own account.

- C. SJK Capital does not invest for its own account. Subject to the restrictions set forth in the Code, related persons are not permitted to enter into personal transactions in securities that SJK Capital purchases or sells for Clients. These restrictions include: (i) pre-clearance by the Portfolio Manager and/or Chief Compliance Officer of personal transactions in any security; and (ii) a prohibition on the purchase or sale (directly or indirectly) of any security for which there is a “buy” or “sell” order pending for a Client, or if a security is being considered for purchase or sale by or for any Client.
- D. SJK Capital does not invest for its own account. Subject to the restrictions set forth in the Code, related persons are not permitted to enter into personal transactions in securities that SJK Capital purchases or sells for Clients. These restrictions include: (i) pre-clearance by the Portfolio Manager and/or Chief Compliance Officer of personal transactions in any security; and (ii) a prohibition on the purchase or sale (directly or indirectly) of any security for which there is a “buy” or “sell” order pending for a Client, or if a security is being considered for purchase or sale by or for any Client.

**Item 12. Brokerage Practices**

The Investment Adviser is authorized to determine the broker or dealer to be used for each securities transaction for the Funds. In selecting brokers or dealers to execute transactions, the Investment Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Investment Adviser's practice to negotiate “execution only” commission rates, thus the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate. In selecting brokers and negotiating commission rates, the Investment Adviser will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers

In determining with which broker to place an order, SJK Capital considers the full range and quality of a broker-dealer's services, including:

1. the price of the security;
2. the rate of the commission;
3. the promptness of execution of securities transactions;
4. the size and difficulty of the order;
5. the reliability, integrity, confidentiality, stability, financial condition, general execution, settlement and operational capabilities of competing broker-dealers;

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6. the expertise or special capabilities in particular markets of particular broker-dealers;
7. the broker-dealer's ability to handle difficult trades;
8. the broker-dealer's prior performance in serving SJK Capital;
9. the quality, comprehensiveness and frequency of research services considered to be of value; and
10. such other factors as deemed appropriate by SJK Capital.

The determinative factor in the selection of any broker-dealer will be whether the transaction represents the best execution for SJK Capital's Clients (which may not necessarily mean the lowest possible commission rate). Accordingly, if SJK Capital determines in good faith that the amount of commissions charged by a broker-dealer is reasonable in relation to the value of the brokerage and products or services provided by such broker-dealer, SJK Capital's Clients may pay commissions to such broker-dealer in an amount greater than the amount another broker-dealer might charge. In selecting broker-dealers, SJK Capital may or may not negotiate "execution only" commission rates; thus, SJK Capital's Clients may be deemed to be paying for other services provided by the broker-dealer that are included in the commission rate.

### **Soft Dollar Usage**

The term "soft dollars" refers to the use of brokerage commissions, concessions, spreads, mark-ups and mark-downs to pay for goods and services other than brokerage itself. Soft dollars can be used either by the investment adviser or the client ("directed brokerage"). Soft dollars provide a way for SJK Capital to purchase securities research without expending its own resources ("hard dollars") or directly debiting the account under management.

In order to generate soft dollar credits, SJK Capital, in its discretion, may cause a Client to pay a commission price for effecting a transaction on the Client's behalf in excess of the amount another broker-dealer would have charged for effecting that transaction. SJK Capital could cause its Client to pay the higher commission rate if, as discussed above, it determines that the commission price is reasonable in relation to the overall value and quality of the brokerage services provided by such firms to Clients of SJK Capital.

Soft dollar credits can be used in return for various types of research services provided by the broker dealer to whom commissions are paid. SJK Capital could obtain research services from broker-dealers with whom it has negotiated arrangements to assist SJK Capital in connection with its investment decision-making responsibilities and enhance SJK Capital's capability to discharge those responsibilities. In some cases, the research services and products provided to SJK Capital are generated by third parties on behalf of the broker-dealer.

Section 28(e) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") provides a safe harbor against claims of breach of fiduciary duty for investment advisers using commissions generated by customer orders to obtain brokerage and research services. Section



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28(e), however, does not provide a safe harbor for directed brokerage. The SEC has indicated that the investment adviser can define brokerage and research services in the broadest terms, subject to the good faith standard in Section 28(e)(1). Further, the services do not necessarily have to be of benefit to the account whose commissions are used to pay the soft dollars, as long as the investment adviser determines that the services and products received provide lawful and appropriate assistance to their investment decision making process. Some of the products and services that are included within the safe harbor of Section 28(e) include:

- Research services, which within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.
- Brokerage services, which within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the U.S. Securities and Exchange Commission or a self-regulatory organization, such as comparison services, electronic confirms or trade affirmations.

Investment advisers are required to seek best execution for their clients. Under Section 28(e), the value of the permitted products and services can be factored into the equation for evaluating the cost of each transaction, including higher commissions, to determine if best execution is in fact obtained.

In some instances, the Investment Adviser may obtain a product or service that it uses, in part, for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Investment Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Investment Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be based on the Investment Adviser's evaluation of the actual use of the product or service by its personnel for research and non-research purposes. The proportion of the product or service attributable to assisting the Investment Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Investment Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Investment Adviser and clients.

The research services so obtained could be used in managing other clients of SJK Capital, should it have other clients. In such case, the research services that are received in connection with

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transactions for a particular client fund may not necessarily be used by SJK Capital exclusively in connection with the management of the client fund that generated the particular soft dollar credits.

SJK Capital periodically evaluates broker-dealers that provide research services to ensure that they provide quality execution and research services. SJK Capital's use of soft dollar arrangements falls within the safe harbor for soft dollars under Section 28(e) of the Exchange Act.

During 2014, research and related services furnished by brokers have included, among other things, research reports (including market research), attendance at certain seminars and conferences, discussions with research analysts and meetings with corporate executives.

When the Investment Adviser uses Client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Investment Adviser periodically reviews and evaluates its soft dollar practices to determine in good faith, whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Investment Adviser's overall responsibilities to the accounts or portfolios over which the Investment Adviser exercises investment discretion.

#### **Additional Brokerage Considerations**

From time to time, brokers, including the Prime Brokers, may assist the Funds in raising additional funds from investors, and representatives of the Investment Adviser may speak at conferences and programs sponsored by such brokers for investors interested in investing in hedge funds. Through such "capital introduction" events, prospective investors would have the opportunity to meet with the Investment Adviser. Currently, none of the Funds or the Investment Adviser directly compensates any broker for organizing such events or for any investments in the Funds ultimately made by prospective investors attending such events, nor do they anticipate doing so in the future. While such events and other services provided by a broker may influence the Investment Adviser in deciding whether to use such broker in connection with brokerage, financing and other activities of the Funds, the Investment Adviser will not commit to allocate a particular amount of brokerage to a broker in any such situation.

The Investment Adviser conducts periodic best execution reviews in an effort to identify and mitigate compliance risks associated with brokerage relationships, and to determine that the Investment Adviser is obtaining best execution for Client accounts.

#### **Item 13. Review of Accounts**

The Portfolio Manager of the Investment Adviser regularly reviews the Funds' portfolio with regards to investment objectives and the suitability of the investments used to meet such objectives. The Investment Adviser's back office reconciles and reviews all portfolio activity and generates portfolio reports on a daily basis to ensure accuracy of all securities, quantities and prices contained therein.

Investors in the Funds receive month end performance estimates, unaudited monthly

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performance reports and quarterly reports via email from the Investment Adviser. Additionally, each investor in the Funds receives a monthly account statement indicating such investor's account value, changes in account value (including net income (loss)) and the rate of return with respect to such account, as well as a quarterly transparency report, directly from the independent administrator. All these reports update investors on the Funds' performance as well as any notable developments at the Investment Adviser.

Ultimate responsibility of the Funds' monthly net asset valuation calculation and financial statement package resides with the CFO/CCO but the Managing Member of SJK Capital will assist in the review of the portfolio valuation. The monthly financial statement package of the Funds, which is prepared by the independent administrator, will include some of the following: portfolio valuation and monthly profit & loss, balance sheet listing all assets and liabilities, income statement and client account statements.

Investors in the Funds will receive the relevant Fund's audited financial report, which is produced by an independent public accountant, within 120 days of the fiscal year end, commencing with the fiscal year ending December 31, 2014 and, if applicable, a statement of taxable income (IRS Form K-1).

#### **Item 14. Clients Referrals and Other Compensation**

The Investment Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services. There are no sales charges payable to the Investment Adviser in connection with the offering of interests and shares in the Funds. The Investment Adviser is not currently a party to any placement agent agreement providing for compensation to be paid to third parties for marketing interests in the Funds.

As described in Item 12, the Investment Adviser receives certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for the Investment Adviser to select or recommend broker-dealers based on the Investment Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Investment Adviser on behalf of its clients. Please see Item 12 for further information on the Investment Adviser's "soft-dollar" practices, including the Investment Adviser's procedures for addressing conflicts of interest that may arise from such practices.

#### **Item 15. Custody**

The Investment Adviser is subject to Rule 206(4)-2 (the "Custody Rule") under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each of the Funds, because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each of the Funds be subject to audit at least annually by an independent public account that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that audited financial

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statements be distributed by the relevant Fund to its investors within 120 days of the end of its fiscal year.

**Item 16. Investment Discretion**

The Investment Adviser provides investment advisory services on a discretionary basis to Clients. The Funds may not impose any limits on SJK Capital's discretionary authority. The Investment Adviser obtains this discretionary authority by entering into an investment management agreement or other agreement that sets forth the scope of authority. However, SJK Capital's discretionary authority is limited by the investment restrictions set forth in the Funds' applicable private placement memorandum.

Allocations will be made among investor accounts in the Funds eligible to participate in initial public offerings (IPOs) on a pro rata basis, except when the Investment Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include an investor in a Fund's investment guidelines explicitly prohibiting participation in IPOs and an investor in a Fund's status as a "restricted person" under applicable regulations.

The Investment Adviser may enter into agreements or "side letters" with certain prospective or existing investors in the Funds whereby such investors may be subject to terms and conditions that are more favorable than those set forth in the applicable private placement memorandum. For example, such terms and conditions may provide for special rights to make future investments; special redemption rights, including relating to notice; a reduction or rebate in fees and/or other terms; rights to receive reports on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such investor.

Although SJK Capital personnel endeavor to exercise due care in making and implementing investment decisions, errors inadvertently occur from time to time. Pursuant to the exculpation and indemnification provisions in the investment management agreement, the Investment Adviser and its affiliated parties, as defined in it, will generally not be liable to the Funds for any act or omission, absent gross negligence, willful misconduct or violation of applicable law.

**Item 17. Voting Client Securities**

The SEC adopted Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rules, SJK Capital has adopted proxy voting policies and procedures. To the extent SJK Capital has been delegated proxy voting authority on behalf of the Funds, SJK Capital may vote proxies on behalf of the Funds, and it is SJK Capital's policy to do so in the best interests of the Funds.

SJK Capital generally expects to vote in accordance with the recommendations of company management, as it believes management usually knows more about the company than passive shareholders. However, SJK Capital realizes that there are many complexities to proxy votes and

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will vote against a proposal or recommendation of management if SJK Capital determines that such a vote is in the best interests of the Funds.

If the Investment Adviser determines that a conflict of interest exists between the Funds' interests and its own, the Investment Adviser will consult with outside counsel, if necessary, to resolve the conflict.

Clients may obtain a copy of the voting policy by contacting the Investment Adviser.

**Item 18. Financial Information**

This item is not applicable.

**Item 19. Requirements for State Registration Advisers**

This item is not applicable.