

SouthPeak Investment Management LLC

**300 First Stamford Place
Suite 403
Stamford, CT 06902-6740
United States of America**

<http://www.southpeakim.com/>

March 2015

CRD #: 170684

This Brochure provides information about the qualifications and business practices of SouthPeak Investment Management LLC. If you have any questions about the contents of this Brochure, please contact us at telephone +1 (202) 204 3584 or luan.atkinson@southpeakim.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority.

Registration of an investment adviser does not imply that SouthPeak or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

There have been no material changes to this Brochure since our last filing in September 2014.

Item 3: Table of contents

Item 2: Material Changes.....	2
Item 4: Advisory Business	4
Item 5: Fees and Compensation	4
Item 6: Performance-Based Fees and Side-By-Side Management	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9: Disciplinary Information	7
Item 10: Other Financial Industry Activities and Affiliations.....	7
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	7
Item 12: Brokerage Practices	8
Item 13: Review of Accounts	10
Item 14: Client Referrals and Other Compensation	10
Item 15: Custody.....	10
Item 16: Investment Discretion	10
Item 17: Voting Client Securities.....	10
Item 18: Financial Information.....	11

Item 4: Advisory Business

Our Firm

SouthPeak Investment Management LLC (the “**Firm**”), a limited liability company incorporated in 2014, is an investment adviser that provides investment management services to SouthPeak Investment Management Pty Limited (“**SIMPL**”). SIMPL is incorporated and domiciled in Australia and was founded by Mattias Soderberg, Zac Roberts and Luan Atkinson (the “**Founders**”). SIMPL is the sponsor of the Real Diversification Fund, an Australian wholesale unit trust (“**Fund**”) and also serves institutional investors on a separately managed account basis (each an “**SMA**”, and together with the Fund, the “**Clients**”)

Principal Owners

The Firm has three principal owners, which are entities affiliated with the Founders:

- ITF Soderberg Family Trust
- ITF Roberts Family Trust
- ITF 26 Broadway Trust

Types of Services Offered

The investment objective and strategy for the Fund are described in the offering materials. The Firm provides investment management services to the Fund, as a pooled investment vehicle, based on the specific investment objectives and strategies of the Fund itself and not tailored to the individual investors in the Fund (the “**Investors**”).

The Fund aims to provide consistent returns above the Reserve Bank of Australia daily cash rate target with annualised volatility of 4-8% (measured daily) and strong resilience to market shocks.

The Fund is denominated in Australian dollars and invests in a range of strategies across multiple geographies, asset classes and implementation approaches. The Fund generally invests in futures/forwards, swaps and options.

Each SMA will be managed based on the needs of the particular managed account client.

As of February 28, 2015, the Firm managed US\$ 371 million in net assets under management on a discretionary basis.

Item 5: Fees and Compensation

Pursuant to the Offering Materials and advisory agreements, SIMPL receives an annual management fee of 0.50% of the net asset value of the Fund (“**Management Fee**”) for acting as the trustee and investment manager of the Fund. The Management Fee is calculated and accrued at each valuation time and is paid as soon as practical after the end of a calendar quarter. The Management Fee is increased by the amount of Australian goods and services tax (“**GST**”) payable by SIMPL on the Management Fee. There is an investment advisory services agreement between the Firm and SIMPL where by the Firm provides investment advisory services to SIMPL for a fee. In addition there is also a services agreement between SIMPL and the Firm whereby SIMPL provides support services (such as marketing,

operations and compliance) to the Firm for a fee. The next payment to the Firm by SIMPL is calculated using transfer pricing principles that satisfy the requirements of the relevant US and Australian legislation and precedent pertaining to transfer pricing as well as the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by Organisation for Economic Co-operation and Development (OECD).

SIMPL may also from time to time enter into Side Letters providing for changes in Management and Performance Fees. SIMPL currently has Side Letters with investors relating to fee rebates and reporting on their invested assets.

SIMPL deducts the Management Fee from Investors' accounts by instructing the Funds' administrator to deduct the fee.

Clients with SMAs will pay generally the same Management Fee as stated above.

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

SIMPL charges a performance fee per unit equal to 15% of the increase in the unit price for a series within a class of units over the high water mark at the performance fee calculation date, for a performance fee calculation period ("**Performance Fee**").

The Performance Fee calculation date is the last day of the calendar quarter if no withdrawal is to be processed, or the valuation day before a withdrawal is processed. The Performance Fee is increased by the amount of GST payable by SIMPL on the performance fee.

SIMPL deducts the Performance Fee from Investors' accounts by instructing the Funds' administrator to deduct the fee.

Clients with SMAs will pay generally the same Performance Fee as stated above.

As set out above, there is an investment advisory services agreement between the Firm and SIMPL where by the Firm provides investment advisory services to SIMPL for a fee. In addition there is also a services agreement between SIMPL and the Firm whereby SIMPL provides support services (such as marketing, operations and compliance) to the Firm for a fee. The next payment to the Firm by SIMPL is calculated using transfer pricing principles that satisfy the requirements of the relevant US and Australian legislation and precedent pertaining to transfer pricing as well as the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by OECD.

Item 7: Types of Clients

The Firm's Clients are the Fund and any SMAs. Investors in the Fund primarily consist of institutional investors (Australian pension funds and multi-manager firms).

The minimum initial investment for each Investor is generally AU\$ 1,000,000 and the minimum subsequent investment is AU\$ 500,000. In certain circumstances, minimum investment amounts may be amended by SIMPL.

SMA clients are required to enter into an Investment Management Agreement ("**IMA**") with SIMPL or the Firm. In general, the minimum account size for each SMA client is AU\$ 100 million.

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

Investment Strategies and Portfolio Construction

The Firm's investment approach is described below:

- the Firm invests in strategies it believes are attractive and transparent with sound rationale
- the Firm aims to design strategies that are robust and complement each other
- the Firm's approach to diversification is based on how strategies behave in different market conditions, particularly when markets crash
- the Firm uses a multi-layered risk management framework.

The Firm invests in a range of strategies, broadly grouped into the following themes: carry; value convergence; behaviour and tail protection.

The Firm manages risk by sizing each investment so that it contributes a similar risk to the portfolio. To further limit downside, it uses concentration limits based on short-term stress losses. The Firm also dynamically adjusts exposures based on signals (as expected returns and risk change). The aim of this is for the portfolio to naturally tilt to being more pro-cyclical (risk-on) in positive markets and more counter-cyclical (risk-off) in negative markets.

The Firm implements its strategies by investing in a broad range of instruments to gain exposure to various strategies. These typically include futures, forwards, options, swaps and other derivatives (exchange-traded and over-the-counter). The Firm can also invest in bank deposits and short-term money market instruments. Under the terms of the constituent documents of the Fund and SMAs, the Firm is not permitted to borrow or short-sell physical shares.

Risk of Loss Factors

Investing in securities involves risk of loss that Investors and SMA clients should be prepared to bear. There can be no assurance that the investment objective of the Fund or SMAs will be achieved. The following risks are non-exhaustive and should be carefully evaluated before making an investment with the Firm.

Market risk

Many factors impact global markets, including political instability, economic instability (e.g. recession, inflation), legislative and regulatory changes, fraud, financial market disruptions and industrial disruptions. These factors may adversely affect the value of cash and fixed income securities held and the derivatives entered into.

Interest Rate risk

The fixed income portfolio and cash portfolio are made up of bank deposits and money market instruments. Hence, their returns will vary with the level of interest rates. Investments with longer terms and fixed coupon payments are more likely to be affected by interest rate changes than shorter-term investments or floating rate securities.

Currency risk

The Fund and current SMAs primarily hold Australian dollar-denominated cash and fixed income investments. They may hold cash and fixed income investments in other major currencies. The returns are subject to currency risk as the investment strategies and instruments may be denominated in currencies other than Australian dollars. This currency risk on returns is not hedged, though any currency risk on investment notional is hedged. The Firm may hedge currency risk on cash and fixed income instruments.

Leverage risk

The Firm cannot directly borrow or short-sell physical shares. The Client Accounts may be economically leveraged through use of the derivatives in which case a relatively small movement in the market price of the index or asset underlying the derivative may result in a disproportionately large profit or loss. One of the ways the Firm manages risk is to target an annualised volatility of 4-8% (measured daily).

Income from the Fund

Distributions from the Fund will be automatically reinvested. Accordingly, Investors should not rely on this Fund for regular income.

Item 9: Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations**Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration**

The Firm is currently registered as a Commodity Pool Operator with the Commodity Futures Trading Commission (“**CFTC**”) and a member of the National Futures Association (“**NFA**”).

Other Material Relationships

Other than holding investments in the Fund, which is intended for alignment of interest, the Firm, SIMPL or any of its management persons have no other relationship or arrangement that is material to or causes a conflict with the Firm’s advisory business or to its Clients.

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

The Firm serves as an investment sub-adviser to SIMPL, the manager to the Fund. The owners and/or employees of the Firm have made and may make investments in the Fund, therefore having a financial interest in the Fund through an incentive allocation or a direct investment interest. As such, the Firm could be considered to have recommended to Investors that they buy or sell securities or investments in which the Firm or a related person has some financial interest.

SMA accounts will be traded generally on a *pari passu* basis with the Fund. The trading and investment will be done so as not to disadvantage the Funds over the SMA clients or vice versa. This is disclosed to the SMA clients prior to the execution of an IMA.

Personal Account Trading

Written approval is generally required from the Chief Compliance Officer (or their authorised delegate) before personally transacting in any derivatives or securities. Personal transactions in single name listed equities do not require prior written approval, unless the Firm implements a strategy that includes trading single name listed equities (or derivatives related to single name listed equities).

As a general principle relating to managing perceived or real conflicts of interest, employees must not trade where a Firm portfolio is active at that time (e.g. where orders are incomplete or where desired weightings have not been achieved or where the Firm is likely to be interested in taking a position in a particular security or a derivative referencing that security).

Embargo Register

The Embargo Register is the list of all entities that the Firm either deals in, or has inside information on. The Firm's employees or directors must not trade in these entities without receiving prior written approval to trade.

It is the responsibility of every Firm employee and director, before they trade in any security, to ensure that the security they intend to trade in has not been placed on the Embargo Register.

It will be considered serious misconduct if an employee trades, without authority, any security that has been placed on the Embargo Register. Such action may lead to disciplinary action and/or summary dismissal.

An employee or director seeking to trade in a company that is placed on the Embargo Register must not deal in those securities without:

- Completing the Firm's Securities Trading Form; and
- Obtaining written authority to trade.

An employee or director who wishes to trade in securities on the Embargo Register will only be given approval if there are exceptional circumstances surrounding the requirement to trade.

Item 12: Brokerage Practices

The Firm maintains a written Trade Allocation Policy that describes how it allocates trades that are made on behalf of Fund and any SMA. The Firm's overriding principle is to act in the best interests of its clients. As such, the investment team takes steps to ensure that no client will be systematically disadvantaged by the aggregation, placement or allocation of trades. The Firm allocates transactions promptly, usually on the trade date. The Firm does not reallocate from one account to another, unless the original allocation was made in error. The Firm will not make any allocations to a personal account of an employee.

Prime Brokers

The Fund does not use a prime broker; it uses futures clearers. The Firm's selection criteria for clearers are set out in its Selection of External Service Providers policy which includes a review, qualitative analysis and due diligence on such providers. The Firm generally trades exchange-traded instruments DMA (direct market access). For exchange-traded derivatives the Firm's execution and clearing brokers are selected based on a number of factors

including competitive pricing, credit quality of institution, size of exchange-traded derivative operations and systems. OTC trades are typically directed based on best price.

Research and Soft Dollar Arrangements

The Firm or SIMPL may enter into “soft dollar arrangements” under which commissions or other compensation generated by the Clients’ transactions are used to obtain products and services provided to the Client and/or the Firm and/or SIMPL but which can reasonably be expected to benefit the Clients and which may contribute to an improvement in the Clients’ performance.

Should the Firm use any other soft dollar arrangements, it will ensure the use of soft dollars to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Exchange Act.

Item 13: Review of Accounts

Review of Accounts

The Client Accounts are reviewed on a daily basis. Current investment positions are monitored against each strategy's trading rules, given changes in market levels. These reviews are performed by the Firm's investment professionals and the Chief Compliance Officer.

Reporting

The Fund will prepare its annual audited financial statements in accordance with Australian applicable Australian Accounting Standards and Interpretations, which also comply with International Financial Reporting Standards ("IFRS"). Copies of the audited financial statements will be issued to Investors within 120 days after fiscal year end concluding on 30 June. Investors will also receive weekly and monthly unit price and position statements and monthly commentary on Fund performance. Investors in the Fund also receive monthly account statements from the Fund administrator.

Item 14: Client Referrals and Other Compensation

Neither the Firm nor any of its related persons compensate any person, who is not a supervised person of the Firm, for Investor or SMA client referrals.

No person, who is not an Investor or SMA client of the Firm, provides an economic benefit to the Firm for providing investment adviser or other advisory services.

Item 15: Custody

The Fund has an administrator who is independent of the Firm. Investors in the Fund receive monthly account statements from the Fund administrator. The Firm urges Investors to carefully review such statements and compare such official records to any reports that the Firm may provide to such Investors. Additionally, to ensure compliance with the SEC's Custody Rule, Investors in the Fund will receive audited financial statements within 120 days of the fiscal year end.

The Firm is not deemed to have custody over the SMA.

Item 16: Investment Discretion

The Firm possesses discretionary portfolio management authority with respect to investment allocations over the:

- Fund as per the Fund's constitution and offering materials;
- SMA as per the Investment Management Agreement.

The Firm has the authority to determine: (i) the securities to be purchased and sold for the Client account; and (ii) the amount of securities to be purchased or sold for the Client account.

Item 17: Voting Client Securities

Currently, the Firm does not invest in securities that involve voting rights. Should the Firm invest in such securities in the future, it will implement an applicable policy for voting.

Item 18: Financial Information

The Firm 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.