

**Item 1. Cover Page**

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**Part 2A of Form ADV  
(The “Brochure”)**

March 27, 2019

This Brochure provides information about the qualifications and business practices of Brickell Key Asset Management LLC (the “Advisor”). Registration with the United States Securities and Exchange Commission (the “SEC”) does not imply a specific level of skill or training. If you have any questions about the contents of this Brochure, please contact Mark Broadwater at 866-443-1080 or [broadwater@bkaml.com](mailto:broadwater@bkaml.com). This information has not been approved or verified by the SEC or by any state securities authority.

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

**Item 2. Material Changes**

There have been no material changes since the Adviser's initial Form ADV filing as a SEC Registered Investment Adviser, which was filed on March 29, 2018.

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#### **Item 4. Advisory Business**

The Adviser is an investment advisory firm with its principal place of business in Miami, Florida. The Adviser is an affiliate of Brickell Key Asset Management Limited, a registered investment advisor with the SEC with its principal place of business in Guernsey. The Adviser is wholly owned by Spartacus Asset Management LLC, a Delaware limited liability company. Mr. John Sicilian, a citizen and resident of the United States, is the sole owner of Spartacus Asset Management LLC.

The Adviser conducts due diligence investigations of potential investments, monitors investments, and provides marketing and other administrative services pursuant to a contract with Brickell Key Asset Management Limited. The Adviser provides discretionary and nondiscretionary investment advisory services to its advisory clients (collectively, “Clients”) which include private investment funds, pooled investment vehicles and may include separately managed accounts for which the Adviser and certain of its affiliates serve as the investment adviser (or in a similar capacity). The Clients are intended for accredited, institutional and other sophisticated investors. Investment advisory services provided to each Client are tailored to such Client’s specific investment strategy, objectives and restrictions, as set forth in each investment advisory agreement, private placement memorandum, offering circular and/or other Client constituent document, as applicable.

The Adviser primarily makes recommendations to its Clients to invest directly and indirectly in a wide variety of litigation and arbitration cases, claims and disputes (collectively, “Claims”) both in the United States, United Kingdom and elsewhere. On behalf of its Clients, the Adviser will make recommendations to invest directly in such Claims or, in the alternative, will recommend that Clients make loans (“Loans”) to law firms, to finance legal fees and costs in connection with active participation in Claims. A Client’s investment portfolio may (without limitation) include Claims in the following sectors: antitrust and competition; arbitration; bankruptcy and insolvency; contracts; environment; finance and securities; patents and other forms of intellectual property; and general commercial litigation, commercial insurance and subrogation. The Adviser may recommend that its Clients make supplemental or follow-on investments in Claims or it may recommend investing in related Claims as a way to strengthen its Clients’ position in an existing investment. In addition, the Adviser may recommend that its Clients create or invest directly in patents or other forms of intellectual property or in entities that own such intellectual property, which may enable Clients to enhance and support an existing patent, for example, that is part of a Claim. The Adviser may recommend that its Clients enter into certain swaps, forward currency contract or other hedging or derivative investments. The foregoing investments or transactions may be entered into with affiliates of either the Adviser or of one or more Clients.

As of December 31, 2018, the Adviser had approximately \$210,143,924 in client assets under management, of which \$200,009,052 were managed on a discretionary basis and \$10,090,590 were managed on a nondiscretionary basis.

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

The relationship between the Adviser and its Clients is governed by investment advisory agreements and/or other Client constituent documents, as applicable. Fees for advisory services are negotiable. Fees may be paid quarterly in arrears or in advance. Pursuant to the terms of applicable investment advisory agreements, and/or other Client constituent documents, as applicable, Clients who pay fees in advance would be refunded a pro rata portion of the fee if the advisory relationship was terminated prior to the end of the relevant billing period. Depending on the Client, fees are based on adjusted net asset values or capital contributions or may be fixed. Each of the investment advisory agreements and/or other Client constituent documents, as applicable, generally provides for a management fee (“Management Fee”) that ranges from 1% to 2.5% per annum on the basis of calculation or a fixed fee. In addition, subject to high water marks

and a minimum hurdle rate (generally, 8%), certain advisory agreements or other Client constituent documents, as applicable, provide for a performance fee (“Performance Fee”) that (subject to certain caps and additional performance based incentives) generally range from 15% to 20%. The Performance Fee may be paid to the Adviser or one of its affiliates.

The Adviser may charge Clients for investment and operations fees and expenses pursuant to the terms of the applicable Client constituent documents. Generally, such expenses include but are not limited to (i) costs incurred in connection with the sourcing, structuring, monetizing and monitoring of Claims, Loans and other investments as well as all third party expert opinions obtained in connection with investments in Claims and Loans, including evaluation of deals not consummated; (ii) audit, taxation, accounting and legal expenses; (iii) custodial, administrative and other professional fees; (iv) research and due diligence expenses, investment expenses such as commissions, custodial fees, bank service fees and other expenses related to the purchase, sale or transmittal of Client assets and investments. It is important that each investor who is considering an investment in a Client review the offering and/or constituent documents applicable to such Client.

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

As discussed in Item 5, the Adviser and/or advisory affiliates generally charge Clients a Performance Fee. This fee arrangement may create an incentive for the Adviser to recommend investments that are riskier or more speculative than would be the case in the absence of such compensation. Also, the Performance Fee may be greater for one Client than for another which may create an incentive to allocate investment opportunities to the potentially higher fee generating Client. To mitigate these potential conflicts, the Adviser has employed an Allocation Policy and has implemented controls that seek to ensure fair and equitable allocation of investment opportunities over time.

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

As described in Item 4, the Adviser’s Clients are private investment funds, pooled investment vehicles and may include separately managed accounts, all suitable for accredited, institutional and other sophisticated investors. Any minimums for investors are disclosed in the Client’s offering or constituent documents.

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

##### **Investment Objective and Strategy**

The investment objective of the Clients is to build a diversified portfolio of direct and indirect investments in Claims and ancillary investments and to provide investors with dividends and capital growth that exceed the investor’s cost of capital. The Adviser uses proprietary underwriting guidelines to identify and analyze Claims that can be monetized for fair value in a timely and efficient manner. The underwriting process focuses not only on legal merits, damages and collection risk, but also on the entire business context of the Claim. The Adviser seeks for its Clients to invest in Claims that are likely to be resolved through settlement within a reasonable time frame. Following the Adviser’s internal review of the parties to the dispute, the strategy for the case, the lawyer’s experience in resolving similar cases and the merits of the case, the Adviser seeks the opinion of outside lawyers with expertise in the specific subject matter of the dispute to provide an independent review of the risk elements. Investments are only completed after a written review by independent ethics and compliance counsel in the relevant jurisdiction to ensure that the specific transaction complies with local laws and, where applicable, professional ethics requirements.

This strategy may be deemed to be highly speculative and is not intended as a complete investment program. It is designed only for sophisticated persons who can bear the risk of the loss of their entire investment and who have a limited need for liquidity. The Adviser can give no assurance that its investment strategy will

achieve its investment objective.

### **Risk Factors**

The following summary identifies certain material risks related to the Adviser's investment strategy and should be carefully evaluated before making an investment with the Adviser. The following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks:

### **Ethics and Legal Restrictions**

There may be prohibitions on purchasing Claims from plaintiffs (known as maintenance, and a form of maintenance, called champerty), restrictions on assignments of certain kinds of Claims, and ethical restrictions on participating in a lawyer's contingent fee interests (including ethical rules against sharing fees with lawyers and non-lawyers). A number of states in the United States and other jurisdictions will not, for legal and professional ethics reasons, permit the Clients to make investments in litigation and arbitration cases either directly or through loans to law firms, and accordingly the Adviser will not be able to recommend such investments in these jurisdictions, thereby limiting the number of potential investments its Clients can make.

The Adviser expects to obtain legal opinions in those jurisdictions where it intends for its Clients to make an investment. In many jurisdictions investment in and syndication of rights to the proceeds of Claims is a novel concept which has not been considered by the courts nor addressed by statute. In certain jurisdictions, while no binding court decisions specifically disapprove of the practice, a court may still decline to enforce such arrangements if, for example, there is an indication that a non-party to a claim is in any way controlling the prosecution of that lawsuit, or if it appears that a non-lawyer is unlawfully engaged in the practice of law, or if the arrangement otherwise offends the public policy of the jurisdiction.

For each investment, the Adviser intends to rely on lawyers which it believes have suitable expertise to provide correct and accurate interpretation of the laws and ethics of the relevant jurisdiction as they apply to the investment in question. However, in the event that such interpretations are incorrect or subject to qualification the Clients' investments could be open to challenge or subsequently reduced in value or extinguished.

Changes in laws or ethical rules in jurisdictions where these restrictions currently do not apply could further reduce or limit opportunities for the Adviser to recommend making investments as expected, or could result in the diminution or elimination of the value of Client investments already made in such jurisdictions.

### **Investment in federally-registered intellectual property claims**

There are a few United States cases addressing the legality of investing in and assigning federally-registered intellectual property claims. Consequently, there is considerable uncertainty as to the propriety of such investments in U.S. jurisdictions. Certain U.S. courts have voided investments in cases involving federally-registered intellectual property claims as champertous. Accordingly, there is a risk that a U.S. court could find the Clients' investment in any federally-registered intellectual property claims (or any other Claims) champertous and render the investment void.

### **Inability to locate and delay in making investments**

There is no guarantee that the Adviser will be able to identify, in a timely fashion or at all, a sufficient

number of suitable investments in Claims that meet its diversification and underwriting requirements in jurisdictions where such investments are permitted. Once potential investments have been identified there may be significant delays as a result of the requisite due diligence and an oftentimes extensive negotiation process prior to investing.

### **The Adviser's business model depends upon referral relationships**

The Adviser's investment strategy relies to a significant extent on maintaining active communication with legal professionals to provide it with opportunities for investment. If the Adviser fails to maintain relationships with key legal professionals it will not be able to grow its Clients' portfolio and achieve its investment objective. In addition, persons with whom the Adviser has formed relationships are not obliged to provide the Adviser with potential investment opportunities and therefore there is no assurance that such relationships will lead to the origination of investments.

### **Bad case selection**

There can be no guarantee that Claims in which the Adviser makes recommendations to invest, either directly or indirectly through Loans to law firms, will be successful or will pay the returns targeted by the Adviser. If any of the Claims in which the Adviser makes recommendations to invest are unsuccessful or produce investment returns below those expected by the Adviser, the net asset value of a Client's portfolio could be materially adversely affected.

### **Liability for costs or damages**

In the event that a Client investment is made in a Claim pending in a jurisdiction with a "loser pays system" (such as the UK), the Client could be liable for the defendant's cost and fees in the relevant case. Even though the Adviser is likely to seek to purchase insurance against this event, there can be no assurance that such insurance will be available on a commercially acceptable basis, or at all, or if purchased, will be adequate to cover costs assessed, which could result in a loss to the Client. In the United States, costs are sometimes awarded against a loser in litigation; therefore similar losses based on adverse costs awards could also result from investments there. There are also laws in the United States and elsewhere that create liability for plaintiffs who are determined by a court to have brought litigation that is frivolous or groundless. Although the Adviser intends for its Clients to avoid investments in frivolous or groundless cases, the Clients could be subject to losses if such a Claim were determined by a court of competent jurisdiction to have been brought or supported by the Adviser.

### **Evaluation and disclosure of cases and case performance**

Details of actual cases that a Client has invested in or intends to invest in will not be disclosed on a named basis to investors in that Client, and in any event not all information relevant to the evaluation of any case investment by the Client will be permitted by law or professional ethics codes of conduct to be made available to the Client or its investors. In particular, any sharing with the Client or its investors of confidential information protected by attorney-client privilege or by attorney work-product doctrine could waive all protection of that information. Such waiver could severely damage the value of the underlying Claim by giving the opponent access to sensitive information. Any agreement to share with investors any information and evidence related to the case could preclude the plaintiff from entering into confidentiality agreements with co-plaintiffs in the same matter. Such sharing could also make discovery from the adverse party problematical as most discovery is covered by court-issued protective orders that ensure the confidentiality of all parties. A breach of a protective order could subject a party to serious sanctions that would impact the value of the underlying Claim.

In some instances, case settlements and case prospects will be confidential and/or subject to lawyer-client privilege. Accordingly, investors will not have an opportunity to evaluate for themselves cases in which the Client intends to or does invest, either directly or through Loans to law firms and therefore investors will be dependent upon the judgement and ability of the Adviser in investing and managing the assets of the Client. The valuation of each investment will be subject to policies adopted by the Client and may not reflect the actual financial prospects of such investment at any given time.

### **Recovery collection risks**

Part of the case selection process for investment involves an assessment by the Adviser of the ability of the defendant to pay a judgement or award if the case is successful. If the defendant is unable to pay or the plaintiff or defendant seeks to challenge the validity of the investment on legal or professional ethics grounds, the Adviser and, in the case of a Loan, the law firm involved in such Loan, may encounter difficulties collecting their contractually agreed share of litigation recoveries from plaintiffs selling such interests or lawyers (in the case of Loans) with which a law firm has a co-counsel relationship.

In addition, the interest rate and any other fees (such as the facility fee) with respect to Loans could be open to challenge and, if successful, might result in such interest payments and other fees being unenforceable or reduced.

### **Underwriting errors**

The Adviser may fail to correctly apply the underwriting criteria applied to an investment, or may fail to account for a material risk factor to which an investment is subject. The cases in which a Client directly invests or finances through Loans may be unsuccessful, take considerable time (whether because of appeals or otherwise) or result in a distribution of cash, new security or other assets, the value of which may be less than the investment made by the Client. It may not be possible to dispose of any such security or other asset received for legal or professional ethics reasons. The Client may incur additional costs in effecting a disposal of any such security or other assets. Each of these matters could have a material adverse impact on the anticipated value of such investment.

### **Perceptions of lawyers and advisors**

The participation of licensed lawyers involved in investments contemplated by the Adviser is fundamental to implementation of the investment strategy of the Clients. Although the Adviser will, before making an investment, likely obtain a reasoned, written legal opinion from an independent appropriately qualified lawyer to the effect that (with customary exceptions) the proposed investment will not give rise to professional ethical restriction on “fee splitting” between lawyers and non-lawyers (or “fee sharing” between lawyers) or a violation of other legal prohibitions (such as champerty or maintenance), a number of professional ethics rules and legal restrictions are conceptual in nature and their application is difficult to predict. There is therefore no certainty that a court of law or a professional legal ethics regulator authority in the U.S. or its equivalent in jurisdictions outside of the U.S. will agree with the opinions of the Adviser or its external experts if the issue is challenged. If such lawyers perceive either that the contemplated transactions are not legal or ethical under applicable laws or professional ethics rules, whether correctly or not, or that there is a risk that defendants, regulators or lawyers may challenge or raise defenses based on the existence of the Client’s investment, there may be a diminished market for some of the investment transactions proposed by the Adviser.

### **Enforceability of investment contract provisions**



The contracts which the Adviser proposes to use to document investments in Claims will be tailored to meet requirements and legal restrictions of the jurisdictions in which the Claims are purchased and/or in which the Claims are pending. However, the Adviser intends to include standard clauses in those contracts wherever possible. For example, the Adviser intends to subject disputes between the Claim seller and the applicable Client under most or all investment documents to binding arbitration under laws (such as Guernsey) and rules of procedure (recognized in European arbitration centers) other than those of the jurisdiction in which the Claim seller is resident or the underlying litigation or arbitration is pending. The Adviser's investment documents will be drafted and reviewed by qualified lawyers, but it is not possible to guarantee that their terms will be given the meaning and effect intended by the Adviser if subject to a dispute before a court of competent jurisdiction or a relevant tribunal.

In particular, a court (including that of a relevant U.S. state in which an investment is made) may decline to enforce the arbitration clauses for a variety of reasons and such a court or any relevant arbitration tribunal may, in certain circumstances, in fact determine that it is appropriate to apply the laws of a jurisdiction (including that of the relevant U.S. state in which the investment is being made) other than those provided for in the documentation. In addition, where an award is rendered by any court or relevant arbitration tribunal under the terms of the investment documents, the courts of any jurisdiction in which enforcement of that award or judgment is attempted may decline to enforce it for a number of reasons including, for example, public policy concerns.

If a court were to ignore or invalidate a material provision of the Adviser's investment documents, such as the mandatory arbitration provisions, or were to refuse to enforce an award or judgment rendered pursuant to those provisions, the Client may not be able to recover its investment or may incur unanticipated cost in recovering its investment and a share of returns from the Claim. This could have a material adverse effect on the Client's net asset value and its profitability.

### **Reliance on lawyers**

The Adviser and the Clients are reliant on the ability of the lawyers representing the plaintiffs in investment cases to prosecute Claims with due skill and care. If they fail to do this, it is likely to have a material adverse effect on the value of the Client's assets. While the Adviser will analyze and evaluate the experience and track record of the lawyers involved, there can be no assurance that the outcome of a case will be in line with the plaintiffs' lawyers' assessment of the case.

In the case of direct investments, the Adviser and the Client will often have limited or no rights to control or influence the management, prosecution or settlement of a case. In the case of indirect investments through Loans to law firms, neither the Client nor the Adviser will have any rights to control the prosecution, disposition or settlement of the particular case. This is because such control could be seen to interfere with the attorney-client relationship between the plaintiff and the litigating attorney and may result in a court voiding the Client's investment for reasons of public policy, or may result in a determination that the Client's investment is unenforceable against the plaintiff.

### **Other conflicts**

Members of the Adviser's senior management are not restricted from working for law firms established by senior managers of the Adviser in the private practice of law or in other capacities for the benefit of parties other than the Clients. There can be no guarantee that such activities will not negatively impact the ability of the senior management of the Adviser to devote sufficient time to the provision of services to the Adviser or result in negative publicity for the Adviser or the Clients. Should the reputation of senior management be damaged in any way or lose market appeal, the Adviser's and the Client's business could be adversely impacted.

### **Maintenance of license to practice law**

For certain types of loan investment transactions to law firms, one or more of the senior managers of the Adviser (or in the case of other law firms, one or more of the partners of those firms) may need to maintain a license to practice law in either the jurisdiction in which the case is being heard or another jurisdiction. There is a risk that, if the senior managers of the Adviser (or all partners in a law firm with which the Adviser has a loan relationship) lose their licenses to practice law or such senior managers (or such other law firm partners) do not have a license to practice law in the relevant jurisdiction where a potential investment arises, certain investment opportunities may not be pursued, or certain existing investments may need to be liquidated, perhaps at a loss.

### **Professional negligence of law firms**

The Adviser intends to require law firms with which the Clients enter into loan relationships to be required to maintain professional negligence insurance of a minimum standard. However, such insurance will not cover liability for acts or omissions that do not constitute professional negligence under the terms of the applicable policy. Moreover, if the advice given by a law firm in connection with a co-counsel investment is found to be negligent, the insurance coverage might not be sufficient to cover the relevant firm's loss. This may adversely affect the law firm's ability to continue its respective operations, including its active participation in existing investments or co-counsel arrangements. As a result, certain investments by the Clients may need to be liquidated, perhaps at a loss.

### **Realization on collateral in the event of default**

Loan documents between a Client and a law firm may not provide further recourse to the law firm or its partners beyond the value of the limited collateral provided under those documents, nor will there always be recourse against the partners or owners of other law firms who borrow money from a Client under similar arrangements. In the event of a default under such loan documents, the termination of such loan for other reasons, the death or incapacitation of the senior management of the Adviser, or the loss of their licenses to practice law, there are professional ethical, legal and other limitations on the ability of the Clients to realize the security provided to the Clients under the collateral documents. As a consequence, in such circumstances a Client may not be able to recover all or any part of its investments with any other law firms (as the case may be).

### **Legal professional conflicts**

Lawyers have a primary duty to the courts and a secondary duty to their clients. In the case of loans to law firms, these duties – including the attendant responsibilities such as independent judgement, client confidentiality and the rules relating to legal professional privilege – are paramount given the nature of the business of the law firms as a legal practice. Law firms to whom a Client makes a loan, their employees and the Client's principals will, with respect to all legal professional representations, owe overriding duties

of independent judgement to their clients. There could be circumstances in which the lawyers of a law firm are required to act in accordance with these duties, which may be contrary to other responsibilities to the Client under the applicable loan facility or other investment documents or inconsistent with the Client's investment strategy.

### **Reliance on key personnel**

Senior management of the Adviser will make all decisions with respect to the selection of investments by the Clients. As a result, the success of the Clients will depend largely upon the ability and continuing availability of such senior management. The death, incapacity or loss of the service of such management would have a material adverse impact on the business of the Adviser.

### **Management and performance fees**

The annual management and performance fees payable to the Adviser may result in substantially higher payments to the Adviser than similar arrangements in other types of investment vehicles. The existence of a performance fee may create an incentive for the Adviser to propose riskier or more speculative investments than it would otherwise propose in the absence of such a fee. In addition, since the performance fee may be calculated by reference to the Net Asset Value of the Client (rather than by reference to realized profits on investments) the Adviser may earn management and performance fees even though a proportion of the Client's investments may subsequently be written off or written down in the future.

### **Protection of intellectual property rights**

The Adviser regards the reputation of its senior management and its trade secrets and similar intellectual property as important to its success. Should any of them be damaged in any way or lose market appeal, the Adviser's business could be adversely impacted. While the Adviser will take all reasonable steps to protect its intellectual property rights, unauthorized use or disclosure of that intellectual property may have an adverse effect on the Adviser's marketing capability and its operating and financial performance.

### **Currency Risks**

A portion of a Client's assets may be invested in assets that are denominated in a currency that is different from the currency the Client is obligated to return capital and pay dividends in. For example, the Client's assets may be denominated in U.S. dollars but it may be obligated to return capital in Great Britain Pounds Sterling. In that event, the Client's investments that are denominated in U.S. currency are subject to the risk that the value of the Pound Sterling will change in relation to the U.S. dollar. The strengthening of the Pound Sterling relative to the U.S. dollar will negatively affect the value of the Client's assets. 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 and capital appreciation, central bank policy, and political developments.

### **Lack of Liquidity of Client Assets, Valuation**

A Client's assets may, at any given time, consist primarily of securities and other financial instruments, assets or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The purchase or sale of any such investments may be possible only at substantial premiums or discounts and it may be extremely difficult to accurately value any such investments. Further, if a substantial number of investors were to redeem their interests in a Client and such Client did not have a sufficient number of liquid securities, the Client might have to meet such withdrawals through distributions of illiquid securities.

### **Concentration of Investments**

The Clients may not be subject to any significant limitations on the amount of Client capital which may be

committed to any one investment or category of investment. The Client's objective will be to invest capital in those situations which the Adviser believes will offer the greatest risk-adjusted returns. Accordingly, a particular Client may from time to time hold a few, relatively large (in relation to its capital) investment positions, with the result that a loss in any such position could have a material adverse impact on the Client's capital.

### **Business and Market Disruptions**

Both the operations (including facilities and information technology systems) of the Adviser and the Clients and the markets and investments in which the Clients invest are subject to disruptions due to natural disasters such as floods, earthquakes, and other extreme weather conditions, and man-made catastrophes such as acts of terrorism and sabotage, and other extreme circumstances that are out of the control of the Adviser or the Clients, such as power outages or failures, which cause Client prices of investments to behave erratically and to move in non-historical directions. Such disruptions may close markets, facilities and systems, or affect the Adviser's access to such markets, facilities and systems causing substantial losses to the Client. Counterparties and other third parties of the Clients are also susceptible to business disruptions which may cause substantial losses to a Client as well.

### **Item 9. Disciplinary Information**

The Adviser has no legal or disciplinary events to disclose.

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

Brickell Key Asset Management Limited ("BKAM"), is an investment advisory firm with its principal place of business in Guernsey. BKAM commenced operations (through a predecessor entity) as an investment adviser in December of 2007 under the name of Juridica Asset Management Limited. In January 2017, BKAM changed its name to Brickell Key Asset Management Limited. BKAM is wholly owned by Solomon Asset Management LLC, a Delaware limited liability company. Mr. John Sicilian is the sole owner of Solomon Asset Management LLC. BKAM has agreed to pay the Advisor a commercially reasonable fee for services related to due diligence investigations of potential investments, monitors investments, and provides marketing and other administrative services, and has agreed to reimburse certain of the Advisor's expenses incurred in providing the services to BKAM.

BKAM does not recommend or select other investment advisers for its Clients. In addition, BKAM does not have any other business relationships with other investment advisers.

Except to the extent necessary to perform its obligations to Clients, the Adviser and its management are not limited or restricted from engaging in or devoting time and attention to the management of any other businesses, including but not limited to the practice of law.

While the Adviser and each member of its management will devote such time as they, in their sole discretion, deem necessary to manage investments on behalf of the Clients, they may also work on other projects or businesses. Although unlikely, conflicts of interests may arise with respect to allocating management time among the Clients and other business interests. The Adviser shall resolve any conflicts that may arise in favor of the Clients.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Clients before their own interests and to act honestly and fairly in all respects in their dealings with the Clients. All of the Adviser's personnel are also required to comply with applicable federal and state securities laws. For additional information about the Code or to request a copy, please

contact Mark Broadwater at 866-443-1080 or [broadwater@bkaml.com](mailto:broadwater@bkaml.com). See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers of securities. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Clients. The Adviser maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Adviser is acting in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material nonpublic information that, if disclosed, might influence a decision to buy, sell or hold a security. The Adviser and its personnel are prohibited from communicating such information with respect to the Clients or using such information for the Client's benefit.

The Adviser requires its related persons to pre-clear certain transactions in their personal accounts with the Adviser's chief compliance officer (the "Chief Compliance Officer") or his delegate, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on a Client. In addition, the Code prohibits the Adviser or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer or his delegate. All related persons to the Adviser are also required to report their personal trading and holdings periodically. Trading in employee accounts will be reviewed by the Chief Compliance Officer or his delegate and compared with transactions for the client accounts and reviewed against the restricted securities list.

To the extent the Adviser buys or sells securities for a Client at or about the same time that the Adviser or a related person buys or sells the same securities for its own account; the Adviser and the related person, if applicable, will do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Adviser or its related person to the detriment of the Client.

## **Item 12. Brokerage Practices**

As a result of the nature of the Clients' investments, the Adviser does not generally use the services of FINRA-regulated broker-dealers to effect transactions. The Adviser may, at times, utilize the services of a broker-dealer to effect a currency hedge or other hedging transaction. The Adviser considers a number of factors in selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus the Clients may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

The Adviser has not historically but may receive research or brokerage services from a broker-dealer and/or a third party in connection with Client securities transactions. This is known as a "soft dollar" relationship. To the extent the Adviser enters into any soft dollar arrangements, the Adviser will limit the use of "soft dollars" to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934.

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

The Adviser regularly reviews and monitors each Client's portfolio to determine whether positions should be maintained in view of, among other things, current market conditions. The Adviser's review may consider specific securities held, adherence to investment guidelines and the Client's performance.

Client investors receive reports from the Client as described in the Client's offering documents.

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

The Adviser may receive certain research or other services from broker-dealers through "soft dollar" arrangements. "Soft dollar" arrangements may create an incentive for the Adviser to select or recommend broker-dealers based on the 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 Adviser on behalf of the Client.

### **Item 15. Custody**

While the Adviser believes it does not have custody of cash or securities of its Clients, in the event that the Adviser is considered to have custody, the Adviser would comply with Rule 206(4)-2 under the Investment Advisers Act of 1940 by meeting the conditions of the pooled vehicle annual audit provision.

### **Item 16. Investment Discretion**

The Adviser provides investment advisory services on both a discretionary and nondiscretionary basis to the Clients. Please see Item 4 for a description of any limitations the Clients may place on the Adviser's discretionary authority.

The Adviser has the authority to recommend (i) the securities and other assets to be purchased and sold for each Client, subject to such Client's investment restrictions, and (ii) the amount of securities or other assets to be purchased or sold for the Client. In allocating such investments, the Adviser may consider the following factors, among others, in allocating investment opportunities among its Clients: (i) each Client's investment objective and strategy; (ii) each Client's risk profile; (iii) tax status and restrictions placed on the Client's portfolio by the Client or by applicable law; (iv) size of the Client, including its deployable capital; (v) nature and liquidity of the investment to be allocated; (vi) size of available investment opportunities; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to an eligible Client on a pro rata basis (based on deployable capital), these factors may lead the Adviser to allocate investment opportunities to the Clients in varying amounts.

The Adviser has and may in the future enter into agreements or "side letters" with certain prospective or existing investors, whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum or other constituent document for the applicable Client. For example, such terms and conditions may provide for special rights to make future investments in the Client, other investment vehicles or managed accounts; special withdrawal rights relating to frequency, notice, a waiver or rebate in fees or withdrawal penalties to be paid by the investor and/or other terms; rights to receive reports from the Client 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 Client and such investor. The modifications are solely at the discretion of the Client and may, among other things, be based on the size of the investor's investment in the Client, with an affiliated investment entity or a managed account, an agreement by an

investor to maintain such investment in the Client for a significant period of time, or other similar commitment by an investor to the Client.

#### **Item 17. Voting Client Securities**

Although voting Client securities is generally not a service provided by the Adviser to its Client, to the extent the Adviser is deemed to have voting authority on behalf of a Client and actually exercise such authority, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to a Client's securities, such proxies are voted in the best interests of the Client.

If a material conflict of interest between the Adviser and a Client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action.

For additional information about the Adviser's proxy voting policies and procedures and information about how the Adviser voted the Client's proxies, please contact Mark Broadwater at 866-443-1080 or [broadwater@bkaml.com](mailto:broadwater@bkaml.com).

#### **Item 18. Financial Information**

The Adviser does not require or solicit the payment of fees six months or more in advance.

The Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients.

The Adviser has never been the subject of a bankruptcy petition.