

Part 2A of Form ADV: Firm Brochure

Item 1 - Cover Page

KCPS Capital Management Ltd.

One Azrieli Center
Round Tower, 30th Floor
132 Menachem Begin Road
Tel Aviv 6701101, Israel
Telephone: +972-3-777-9000
Facsimile: +972-3-777-9001
Web: www.claritycap.com

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This brochure provides information about the qualifications and business practices of KCPS Capital Management Ltd. If you have any questions about the contents of this brochure, please contact Adi Birk, the Chief Compliance Officer, either by telephone at +972-3-777-9000 or by e-mail at adi@claritycap.com. 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.

KCPS Capital Management Ltd. is a registered investment adviser. Registration as an investment adviser reflects only that a firm has registered with the SEC and does not imply a certain level of skill or training.

Additional information about KCPS Capital Management Ltd. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

There have been no material changes since KCPS Capital Management Ltd.'s initial Form ADV Part 2A, which was filed on March 29, 2018.

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Item 4 - Advisory Business

KCPS Capital Management Ltd. (“we,” “us” or “our”) is an Israeli limited company that was formed in March 2007. We are 100% owned and controlled by KCPS Clarity Capital Group Ltd., formerly KCPS & Company (2007) Ltd.

We serve as general partner of, and provide discretionary investment advice to Clarity Private Income Portfolio (Cayman) LP. We serve as general partner and previously provided discretionary investment advice to another private fund, KCPS Global Strategies GS I LP, but terminated our relationship with such fund during 2018.

The investment objective of the CPIP Fund is to generate excess risk adjusted returns, with an emphasis on current income. The CPIP Fund invests in third-party managed investment funds (the “Underlying Funds”) which are predominantly focused on private debt opportunities as well as financial instruments that are uncorrelated to the public markets. The CPIP Fund offers two classes of limited partnership interests: one that is suitable for U.S. taxable investors and another that is suitable for non-U.S. or U.S. tax exempt investors. Although these classes generally invest on a side-by-side basis, it is possible that their investments may differ for relevant legal, tax, regulatory or other considerations. (*See Item 6.*) Accordingly, the returns and profits for these classes may vary. According to its Limited Partnership Agreement, as of September 2017, (the date of CPIP’ final closing), CPIP is not accepting additional capital commitments.

We do not tailor advisory services to individual or particular needs of investors in the CPIP Fund. We have broad investment authority with respect to the CPIP Fund. Since we do not provide individualized advice to the CPIP Fund’s investors, such investors are encouraged to consider whether the investment objectives of the CPIP Fund are in line with their individual objectives and risk tolerance prior to investment. (*See Item 16.*)

In addition to the advisory services provided to CPIP, we advise separately managed accounts (each an “SMA”) on a non-discretionary basis pursuant to the terms of the investment management agreement entered into by and between us and each SMA.

We do not participate in wrap fee programs.

As of December 31, 2018, our regulatory assets under management totaled approximately \$45.8 million. Approximately \$44.5 million is managed by us on a discretionary basis and approximately \$1.3 million is managed by us on a non-discretionary basis.

Item 5 - Fees and Compensation

Management Fee

We are entitled to receive a management fee from the CPIP Fund at a rate of 1.25% per annum of: (i) total capital commitments during the investment period (as described in the CPIP Fund's offering memorandum), and (ii) the net asset value of the CPIP Fund after the investment period. Such fee will be calculated and payable by the CPIP Fund in advance on a quarterly basis. We may waive the CPIP Fund's management fee with respect to any investor. Clarity Capital KCPS Ltd. ("Clarity KCPS"), our related person, introduces or recommends the CPIP Fund to its clients if it determines that the CPIP Fund is suitable for their risk profiles and investment guidelines (see *Item 10* below). Currently, we waive the CPIP Fund's management fee for such investors.

We also receive performance allocations from the CPIP Fund, as further described in *Item 6* below.

In addition, we provide non-discretionary investment advice regarding investments in one or more private funds to certain SMAs. In these circumstances, we may receive a portion of the asset based fees and performance fees that client would have otherwise been charged directly from such underlying investment, that is, in lieu of an additional non-discretionary advisory fee. A portion of the underlying investment's asset based fees will be directed to us or any of its affiliates as compensation for non-discretionary investment advice.

Latecomer charge

Investors who invested in the CPIP Fund following its initial closing contributed to the CPIP Fund an amount equal to the sum of: (i) their *pro rata* share of the aggregate capital contributions previously contributed by the CPIP Fund's investors (excluding capital contributions for the CPIP Fund's management fee) and (ii) the CPIP Fund's management fee based on the capital commitment made (or increase in capital commitment) by each such investor with respect to the period beginning on the initial closing date and ending on the last day of the calendar quarter in which the subsequent closing occurs, plus an additional amount equal to five percent (5%) per annum of the foregoing amount.

Expenses

The CPIP Fund will bear all of the costs and expenses incurred in connection with its organization and the organization of any other parallel or alternative entities, as well as for us in our capacity as the general partner of the CPIP Fund and any other entity pertaining to the foregoing, as well as the offering of limited partnership interests, including legal and accounting fees, expenses and fees related to our registration as an investment adviser with the SEC and any applicable U.S. state securities authority, printing costs, travel,

filing and other administration expenses. Additionally, the CPIP Fund will bear all of the costs and expenses directly related to its investment activities, including, as applicable, any third-party research costs, interest expense, any costs and expenses that are not capitalized as part of the cost of an investment or reimbursed by another party, any costs and expenses directly related to proposed investments which were not consummated (*i.e.*, broken-deal expenses), and brokerage costs (*see Item 12* for additional information on brokerage practices). In addition, the CPIP Fund will bear all of the costs and expenses relating to its administration, including accounting, audit, administration, custodian and legal expenses, our regulatory compliance fees and expenses to the extent related to the CPIP Fund, any insurance, indemnity or litigation expenses, and costs associated with reporting and providing information to its existing and prospective investors.

In addition, the CPIP Fund may in the future bear a portion of our operating and overhead expenses in an amount equal to 0.1% per annum of (i) capital commitments during the investment period, and (ii) the net asset value of the CPIP Fund thereafter.

As noted herein, the CPIP Fund makes investments in Underlying Funds. In addition to the fees and expenses described above, the CPIP Fund incurs indirectly similar fees and expenses when we invest its capital in Underlying Funds, as those entities in turn pay similar fees and expenses to their investment managers and other service providers.

Please refer to each Fund's offering memorandum or governing documents for a complete understanding of how management fees are calculated and deducted, as well as a discussion relating to the expenses chargeable to such Fund and its investors. The information contained herein is a summary only and is qualified in its entirety by such document.

The expenses that would be charged to separately managed accounts managed by us in the future would be determined on a case-by-case basis.

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

The CPIP Fund is subject to a performance allocation, which is generally equal to ten percent (10%) of the cash proceeds or marketable securities received by the CPIP Fund after a return of investors' capital commitment and subject to a five percent (5%) hurdle rate. We may, from time to time, elect to reduce, or waive the performance allocation with respect to any investor in the CPIP Fund. Currently, we waive the performance allocation for each Clarity KCPS client that invested in the CPIP Fund through an introduction or recommendation by Clarity KCPS as long as he remains Clarity KCPS' client.

In addition, as discussed in Item 5 above, we may be entitled to receive a portion of an underlying private fund's performance fee with respect to certain SMAs that invest or continue to invest in private funds following our non-discretionary advice.

This arrangement may create a theoretical incentive for us to recommend investments that are riskier or more speculative than would be the case in the absence of such profit allocation payable to its affiliate. However, investors in each Fund are provided with disclosures contained in such fund's offering memorandum or governing documents relating to the performance allocation allocable to us, and the risks associated with their investment in such Fund

Please refer to the CPIP Fund's offering memorandum or governing documents for a more detailed description of the performance allocation.

It is our policy that no client for which we have investment discretion will receive preferential treatment over any other client. In allocating investment activities among client accounts, it is our policy that all client accounts should be treated fairly and, to the extent possible, should receive equivalent treatment. Because the CPIP Fund and our non-discretionary clients different strategies, we generally do not anticipate that they will invest in the same securities or financial instruments.

As noted above, the two classes of the CPIP Fund generally invest on a side-by-side basis in each investment in proportion to their respective amount of capital commitments available for such investment. It is possible, however, based on any relevant legal, tax, regulatory or other considerations, that in our sole discretion (i) both classes will not participate in every investment, (ii) investments may be allocated on a different basis determined by us, (iii) a class may invest in an investment at a different time, and/or (iv) the manner in which investments are structured may vary among the classes.

Item 7 - Types of Clients

We provide investment advice to the CPIP Fund and the SMAs. Investors in the CPIP Fund and owners of our SMAs are generally high net worth individuals, corporations, personal trusts, and IRA accounts that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified clients” (as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”)). The minimum investment in the CPIP Fund is generally \$100,000. We may waive this minimum under certain circumstances.

We may impose minimum account requirements on SMAs. Any such minimum would be described in the written investment management agreement entered into by and between the client and us. In the event that minimum requirements are imposed, we would expect that such requirements would be based on, among other factors, the investment strategy used and the time and resources allocated to the client. Any requirements and restrictions would be specified in detail in each client’s written investment management agreement.

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

Methods of Analysis and Investment Strategies Generally

The CPIP Fund

The investment objective of the CPIP Fund is to generate excess risk adjusted returns, with an emphasis on current income. The CPIP Fund invests in Underlying Funds, which are predominantly focused on private debt opportunities as well as financial instruments that are uncorrelated to the public markets. The CPIP Fund is targeting a diversified pool of assets with moderate risk and relatively uncorrelated investments.

The composition of the CPIP Fund's portfolio, including the selection of the Underlying Funds, is an iterative process combining both top-down asset allocation considerations and bottom-up Underlying Fund selection. Through the investment process, we seek to ensure appropriate diversification by strategies and collateral type, geographic regions and number of Underlying Funds. The process also looks to balance these considerations with expected returns per strategy and Underlying Fund in order to design a portfolio exhibiting an attractive risk/return profile.

Risk Factors

General Market Risk An investment in the CPIP Fund is speculative and involves a high degree of risk. There can be no assurance that the investment objectives of the CPIP Fund will be achieved or that an investment in the CPIP Fund will generate positive returns. The CPIP Fund has substantial limitations on investors' ability to withdraw or transfer their interests, and no secondary market for the CPIP Fund's interests exists or is expected to develop. The CPIP Fund's investment techniques involve significant risks which are described in detail in its offering documents or other governing documents. Prospective investors are strongly urged to review the applicable offering memorandum or other governing documents carefully and consult with their own financial, legal and tax advisers before investing in a Fund.

Risks associated with the Fund's Investment Strategies The success of the CPIP Fund's investment activities may depend, in part or to a greater extent, on our ability to identify investments that have the potential for superior relative returns. There can be no assurance that we will be able to identify at any time a sufficient number of Portfolio Funds to permit the Fund to invest all of its capital or to diversify its portfolio of investments to the extent required to achieve efficient portfolio management. The CPIP Fund may be subject to significant competition in seeking investments.

Portfolio Valuation. The Portfolio Funds hold loans or privately placed securities for which no public market exists. Because of overall size, concentration in particular markets and maturities of positions held

by the Portfolio Funds, the value at which its investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at by the investment managers to such Portfolio Funds in accordance with their valuation methodologies. In addition, the timing of liquidations may also affect the values obtained thereon. Generally, third party pricing information may not be available for most positions held by the Portfolio Funds. We are entitled to rely on the information and valuation data provided by the Portfolio Funds, which data may not always be provided in a timely manner and which may contain valuation errors.

Risk of Borrower Default - A Portfolio Fund's failure to satisfy financial or operating covenants imposed by the lenders could lead to defaults and, potentially, acceleration of the time when the loans are due. Foreclosure on its assets representing collateral for its obligations, which could trigger cross defaults under other agreements and result in prepayment of the loans or jeopardize a portfolio company's ability to meet its obligations under the debt that the CPIPFund holds and the value of any equity securities it owns. A portfolio fund may also incur substantial litigation and other expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company.

Corporate Debt Obligations. CPIP Portfolio Funds may make loans to middle market companies, including companies experiencing financial trouble or those undergoing significant change or expansion. Such loans are typically expected to be term loans. Most of these loans are expected to be below investment grade or not rated. CPIP Portfolio Funds also may invest directly or through participations in loans with revolving credit features or other commitments or guarantees to lend funds in the future. Failure by a portfolio fund to advance requested funds to a borrower could result in claims against the Portfolio Fund and in possible assertions of offsets against amounts previously lent.

Investments in Debt Obligations are Subject to Credit and Interest Rate Risks. Portfolio Funds that invest in debt instruments are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument and how this risk changes over time. "Interest rate risk" refers to the risks associated with market changes in interest rates.

Fraud. With respect to Portfolio Funds that originate loans, of paramount is the possibility of material misrepresentation or omission on the part of a borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the portfolio investments, or may adversely affect the likelihood that a lien on the collateral securing the portfolio investments has been properly created and perfected. The Portfolio Fund manager may rely upon the accuracy and completeness of representations made by borrowers, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Portfolio Fund may be reclaimed if any such payment or distribution is later determined to have been made with intent to defraud or prefer creditors.

Lack of Control Over the Borrowers. A Portfolio Fund generally will not be in a position to control any borrower by investing in its equity securities and/or providing debt financing. As a result, the portfolio

fund is subject to the risk that a borrower in which the Portfolio Fund invests may make business decisions with which the portfolio fund disagrees and the management of such borrower, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve the interests of the Portfolio Fund as a minority stakeholder and/or creditor

Investment Strategies for the SMA's

With respect to its non-discretionary SMA, we may recommend or introduce to clients alternative investments in private fund vehicles and separate accounts managed by other investment managers. Clients should be aware that investments in such products may carry additional risks relating to the particular investment strategies employed by other investment managers in connection with such alternative investments.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no "risk free" investment. Investors face general market risks (detailed above with respect to the Funds), as well as risks which are specific to each investment. Investors should carefully read the relevant investment documents and take into consideration also the following key investment risks:

Risk Factors - SMA

Investment in the investment fund involves significant risks and it is possible that an Investor may lose a substantial proportion or all of its investment. The value of the investments may fall as well as rise. An investment in investments fund is suitable only for well-informed investors and requires the financial ability and willingness to accept for an indefinite period of time the risk and lack of liquidity inherent in the investment. Whilst it is our intention to implement strategies which are designed to minimize potential losses, there can be no assurance that these strategies will be successful. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Fund. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Fund.

Item 9 - Disciplinary Information

Not applicable.

Item 10 - Other Financial Industry Activities and Affiliations

Affiliated Investment Advisers and Sponsors of Private Funds

Clarity KCPS, CDAP and CDAP-GP Company

We are affiliated (under common control and ownership) with the following investment advisory/private fund sponsor entities (collectively with us, the “KCPS Affiliates”):

- Clarity KCPS, an Israeli limited company based in Tel Aviv, Israel, provides investment management services to a variety of clients, including high net worth individuals and institutions through separate accounts. Clarity KCPS is registered as an investment adviser with the SEC (SEC # 801-73767)
- Clarity Diversified Alternatives Portfolio Management Ltd. (“CDAP”), a Delaware corporation based in New York, New York, provides discretionary investment management services to private fund vehicles and also to individuals and institutions through separate accounts. CDAP is registered as an investment adviser with the SEC (SEC # 801-107107)
- Clarity Diversified Alternatives Portfolio Holdings LP, a Delaware limited partnership based in New York, New York, serves as the general partner of, and holds management shares of, private fund vehicles managed by CDAP.

We and CDAP pursue different strategies on behalf of our clients. In general, Clarity KCPS also pursues different strategies than the other KCPS Affiliates. To the extent that a client of Clarity KCPS wishes to pursue such a strategy, the client would typically gain access to such strategy by investing through a vehicle managed by CDAP or us, following an introduction or recommendation by Clarity KCPS (as described in more detail below).

Some of our employees serve as dual officers, employees or investment committee members of one or more other KCPS Affiliates. In addition, the Chief Investment Officer of Clarity KCPS also serves on CPIP’S investment committee and the investment committee of CDAP. When we and our related persons concurrently manage client accounts/investment products, and particularly when dual officers/employees/investment committee members are involved, this presents certain conflicts, as described below.

Management of client accounts by affiliated investment advisers could give rise to a variety of potential and actual conflicts of interest, including potential front-running in the same security, and potential sharing of material non- public information across affiliate investment managers. In addition, because the KCPS

Affiliates perform investment advisory services for various clients, one KCPS Affiliate may give advice or take action in the performance of its duties with respect to its clients which differs from the advice given or action taken by another KCPS Affiliate with respect to its clients.

The KCPS Affiliates have taken a number of steps to mitigate these conflicts, including the following:

- The KCPS Affiliates have adopted and abide by the same Code of Ethics
- The KCPS Affiliates share the same Restricted List
- Each KCPS Affiliate is independently capitalized

In addition, each KCPS Affiliate has its own investment committee that is responsible for making investment decisions on behalf of the entity. Although certain investment committee members overlap between KCPS Affiliates, we believe that conflicts of interest associated with dual committee membership are mitigated because the investments pursued by each KCPS Affiliate are generally not appropriate for other KCPS Affiliates' clients. In addition, the KCPS Affiliates do not share specific investment recommendations, and each has taken measures to segregate its portfolio management business activities from the other affiliates.

In providing advisory services to our clients, we may enter into consultancy agreements with other KCPS Affiliates with respect to the provision of administration, research, analysis and monitoring services to us.

Clarity KCPS and CDAP invest in one underlying private fund for which we provides non-discretionary investment advice to its SMA clients. In addition one or more KCPS Affiliates may recommend to their clients to invest in the same underlying funds of CPIP, as a result of clients' needs and restrictions that will not allow them to invest through CPIP. We do not believe that these side-by-side investments in the same vehicles pose a conflict since KCPS Affiliates waive their respective fees for Clarity KCPS clients and we do not earn any additional benefits if a client invests through CPIP or KCPS Affiliates.

In addition, CDAP directs to us some of its advisory fees for legal, tax or other reasons. None of our clients will pay any fees to, or directly bear any expenses incurred by us with respect to these arrangements

Concentus

We are also affiliated with Concentus Partners Management LLC ("Concentus"). Concentus is a Delaware limited liability company based in New York and Tel Aviv, which provides investment management services through a quantitative strategy to a variety of clients, including individuals and institutions. Concentus was formerly registered as an investment adviser with the SEC (SEC # 801-110195).

Concentus implements a quantitative strategy for its clients after taking into consideration the relevant restrictions and needs for each client (*e.g.*, requested leverage, preferred broker, size of the account etc.). Following such considerations, orders are sent automatically to the various brokers without any human interference.

Some of our employees serve as dual officers, employees or investment committee members of Concentus. When we and our related persons concurrently manage client accounts/investment products, and particularly when dual officers/employees/investment committee members are involved, this presents certain conflicts, as described above.

We and Concentus have taken a number of steps to mitigate these conflicts, including the following:

- Concentus supervised persons have adopted and abide by the same Code of Ethics
- Concentus is independently capitalized
- Concentus is using a separate server that cannot be accessed by us or any other KCPS Affiliates.

In addition, we believe that conflicts of interest associated with dual employment are mitigated because the investments pursued by Concentus are generally not appropriate for other KCPS Affiliates' clients. In addition, the KCPS Affiliates do not share specific investment recommendations with Concentus, and each has taken measures to segregate its portfolio management business activities from Concentus. These measures include, but are not limited to firewall separation between KCPS Affiliates and Concentus and adoption of a Least Privileges model for all parties to grant users only the network and resource permissions necessary to perform their duties. These measures enhance the overall security posture and prevent data leakage.

KCS Partners

We are also affiliated with KCS Partners L.P., an Israeli limited partnership, which serves as the general partner of private fund vehicles managed by KCPS PE Investment Management (2006) LTD (an investment adviser that is registered with the SEC). This private equity pursue an investment strategy which is different from any of KCPS Affiliates' investment strategy. In addition we do not have any holdings or economic interest in the investment manager of such private equity, therefore, we believe that such holdings do not create a conflict of interest.

Introductions and Recommendations by Affiliated Adviser

As noted above, Clarity KCPS introduces or recommends the CPIP Fund to its clients if it determines that the CPIP Fund is suitable for their risk profiles and investment guidelines. To mitigate conflicts of interest associated with such introductions/recommendations, Clarity KCPS: (i) Clarity KCPS is not compensated

for these introductions, (ii) notifies its clients in writing about its affiliated relationship with the CPIP Fund and certain conflicts associated with such relationship, and (iii) requires them to acknowledge in writing that they are aware of such relationship and conflicts prior to making an investment in the CPIP Fund. In addition, management fees and performance compensation are waived for Clarity KCPS clients that invest through such an introduction.

Non-Discretionary Investment Advice Regarding Private Funds

In general, we seek to avoid situations which might create conflicts of interest. Nonetheless, when we provide non-discretionary advice regarding underlying investments, we may receive a portion of the asset based fees and performance fees the client would have otherwise been charged directly from the underlying investment. This creates an incentive for us to continue to recommend investment in such underlying private fund(s) in order to continue to receive advisory fees. We note that these advisory fees may be directed or passed on (portion or whole) to one or more KCPS Affiliates for business, legal, tax or other reasons. In addition, subject to our personal trading policies, certain of our related persons, respective employees or affiliates may invest directly in vehicles managed by such underlying private funds.

Affiliation with Distribution Service Company

We have a majority ownership interest in an Israeli-based distribution service company that represents financial institutions in the Israeli market, providing them with access to non-U.S. institutional investors. The company receives compensation for successful introductions. The types of institutional investors introduced by the distribution service company do not, and are not expected to, overlap with our clients or the clients of the other KCPS Affiliates.

Investments with Certain Third-Party Managers

In general, we seek to avoid situations in which our clients' investments would create conflicts of interest. Nonetheless, in connection with the CPIP Fund's investment in certain vehicles, the investment managers of such vehicles (the "Third-Party Managers") may pay a portion of the management fees and performance fees/carried interest borne by the CPIP Fund to one of our related persons. We note that CDAP directs to us some of its advisory fees for legal, tax or other reasons with respect to its clients' investments in such Third-Party Manager.

In addition, if our clients (including the CPIP Fund) and clients of the KCPS Affiliates, exceed certain investment thresholds managed by such Third-Party Managers, we may receive equity or warrants from the Third-Party Managers that we can exercise to purchase interests in their affiliates. Investments by the CPIP Fund contemplated by this paragraph are subject to our investment committee's review and approval. In addition, subject to our personal trading policies described below, certain of our related persons or our

respective employees may invest directly in vehicles managed by such Third-Party Managers

For additional information, please see the CPIP Fund's offering memorandum.

We require client's consent prior to entering into a transaction for such client if we determine that such transaction would result in a potential conflict of interest between us or the KCPS Affiliates, on the one hand, and the client, on the other hand.

Management of Multiple Accounts

The management of multiple pooled investment vehicles may result in conflicts of interests when we and our related persons allocate time and investment opportunities among our respective clients.

Subject to applicable law and governing documents and/or offering memorandum of the applicable Fund, we may effect transactions among client accounts whereby one client account will purchase securities from or sell securities to another client account (including accounts in which we or our related persons may have a significant interest). This may be done for reasons including, without limitation: when a client account crosses its investment guidelines with respect to a particular sector, region or security; to account for inflows and outflows of capital to and from the client accounts; when one client account is overexposed to a particular security and we determine that another client account may benefit from additional exposure to such security; to correct misallocations of trades among the client accounts; or when we believe that such a transaction will otherwise have a beneficial effect for each of the applicable client accounts. This may result in a conflict of interest because a potential transaction may result in benefits to one client account that may be greater than the benefits to the other client account. In order to mitigate such conflicts, we effect such transactions only when we believe that such transactions are in the best interests of the participating client accounts. Such transactions will generally be effected for cash consideration and no brokerage commission or transfer fee will be paid to us or our related persons in connection with any such transaction.

We do not engage in principal transactions. If we were to engage in a principal transaction in the future, we would only do so in compliance with the Advisers Act.

Affiliation with Broker Dealer

Two of our supervised persons are registered representatives of an unaffiliated broker-dealer.

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

Code of Ethics Overview

We have adopted a Code of Ethics and Employee Investment Policy (the “Code of Ethics”) which is designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all of our employees and the employees of the KCPS Affiliates. In addition, we recognize that we have a fiduciary duty to our clients, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty.

Among other things, the Code of Ethics governs all personal securities transactions by our employees (as further described below), and addresses certain other conflicts of interest. Employees are provided with a copy of the Code of Ethics and are required to sign and acknowledge that they will comply with its provisions.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

We make available to qualified prospective investors the opportunity to invest in the CPIP Fund. Our related persons and our respective employees have personal investments in certain client accounts (including the CPIP Fund). In addition, we and our affiliates receive performance-based allocations from the CPIP Fund. As a result, we may have a conflict of interest in allocating time and investment opportunities among client accounts. (*See Item 6 above* for information about our allocation processes.)

Personal Trading

Employees may not engage in personal securities transactions, except for certain permitted securities, as described in the Code of Ethics. Employee trading in certain permitted securities requires the written consent of our Chief Compliance Officer (the “CCO”) (and, in the case of the CCO, the prior written consent of our Chief Executive Officer). In addition, transactions in securities on our Restricted List are prohibited.

Additionally, employees are required to provide the CCO with periodic reporting relating to their trading activity and personal accounts.

Conflicts of Interest Relating to Investments in Clients by Related Persons

Some of our employees and certain individuals associated with our related persons have a financial interest in one or more of our clients. Such investments may create conflict of interest in that we may have an incentive to favor clients in which such persons have a more significant interest. We believe that the processes and procedures described in Items 10 and 12 (including our processes for allocating investments) mitigate such potential conflicts.

Item 12 - Brokerage Practices

Selection of Brokers

In placing portfolio transactions for our clients, we seek to obtain the best execution for clients' accounts, taking into account the following factors: price, the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility and the provision or payment (or the rebate to the CPIP Fund for payment) of the costs of property or services (e.g., certain custodial services, research services, news and quotation services, certain publications, analytical and trading software, and trading products and services).

Managers of the Underlying Funds will select the broker-dealers, and other financial intermediaries for their trading and other accounts. Managers of Underlying Funds may benefit from various "soft dollar" arrangements between such managers and financial intermediaries.

On a regular basis, our back-office employees review the commissions paid to brokers.

Research and Other Soft Dollar Benefits

We do not currently have any formal soft dollar arrangements. If we determine to engage in soft dollar transactions, we intend to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Notwithstanding the foregoing, in connection with client transactions, broker-dealers may, as part of their bundled services, provide us with research and research-related services. These products and services would be made available to us on an unsolicited basis and without regard to transaction costs paid by our clients or the volume of business that we direct to counterparties. To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. We believe that the receipt of such bundled services complies with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Aggregation

The aggregation or blocking of client transactions may allow an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients. When both classes of the CPIP Fund participate in the same trades, we will generally aggregate such trades, unless aggregation is not possible or not consistent with our duty to seek best execution. Each class will participate at the average price for all of the transactions in the relevant security on a given business day, with

transaction costs shared *pro rata* based on the respective participation in the transaction by each class.

Trade Errors

As a fiduciary, we have the responsibility to effect orders correctly, promptly, and in the best interests of our clients. In the event any error occurs in the handling of any client transactions, due to our actions, or inaction, or actions of others, we will assess each trade error on a case-by-case basis.

Item 13 - Review of Accounts

Portfolio Review

We review the CPIP Fund's account on an ongoing basis. In addition to our staff, we have an independent fund administrator for the CPIP Fund, which is responsible for back office procedures and reporting for the CPIP Fund.

Reporting

We will furnish to the CPIP Fund's investors (i) the balance of each investor's capital account as of the end of each fiscal quarter within 60 days thereafter, (ii) annual audited financial statements within 180 days after the end of each fiscal year and (iii) annual tax information for the completion of income tax returns within 180 days after the end of each fiscal year.

In addition, investors may be provided with certain information about us and the CPIP Fund in response to questions and requests. Although we may not distribute such information to other investors or prospective investors, it will generally be available onsite for all relevant investors upon request. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

We provide the owners of the SMAs with periodic unaudited reports at such times as the owners of such accounts and we agree. The custodians of such SMAs send account statements to the owners of such accounts no less frequently than monthly. In addition, SMA investors might have the right to withdraw all or a portion of their capital from such SMAs on shorter notice and/or with more frequency than the terms applicable to an investment in a Fund.

Item 14 - Client Referrals and Other Compensation

Currently, we do not compensate any external third-party marketers for introductions to potential investors or clients.

Employees of our related persons may receive a portion of fees charged by the CPIP Fund for investors that they introduce or refer to the CPIP Fund.

We or our related persons may enter into written arrangements with third party marketers for the referral of potential investors or clients. Pursuant to the terms of such arrangements, such third party marketers may be entitled to a percentage of management fees earned by us or our related persons on referred assets.

See *Item 10* above for additional information regarding potential conflicts of interest associated with the CPIP Fund's investments with certain Third-Party Managers.

Item 15 - Custody

For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), we are deemed to have custody over the CPIP Fund’s assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the CPIP Fund or its investors as long as (i) the CPIP Fund is audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the CPIP Fund’s audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) we deliver such annual audited financial statements to investors within 120 days (or 180 days in the case of a multi-manager vehicle) after the end of the CPIP Fund’s fiscal year.

We do not have physical custody of the SMA’s assets. The physical securities of the SMA are held by a qualified custodian, which provides periodically account statements to us and/or directly to the client. In turn, we provide monthly or quarterly reports to its clients relating to each SMA account managed by us.

Item 16 - Investment Discretion

We have discretionary authority to manage securities accounts on behalf of the CPIP Fund. The investors in the CPIP Fund generally may not place any limits on our authority beyond the limitations set forth in the governing documents and/or offering memorandum of the CPIP Fund.

We may receive investment authority with respect to the types and amounts of securities sold or purchased by or on behalf of some our SMAs pursuant to the terms of the Investment Management Agreement.

Item 17 - Voting Client Securities

Our advisory contracts with our clients may grant us authority to cast all proxy votes on their behalf. In such event, neither our clients nor the investors in the CPIP Fund or SMA have the ability to direct how we vote proxies.

To the extent that we receive a proxy on behalf of a client, we will follow our proxy voting policy with respect to such proxy. The policy provides that we will act in the best interests of our clients in determining whether and how to vote on any proxy voting matter. The proxy voting policy includes voting guidelines, as well as guidelines to be followed if a material conflict arises between us and/or our employees and our clients to ensure any material conflict is resolved in the best interest of the relevant client.

Clients may obtain a copy of our proxy voting policy and information on how we voted by contacting the CCO.

Item 18 - Financial Information

Not applicable.

Item 19 - Requirements for State-Registered Advisers

Not applicable.