

PHILOSMITH

An Investment Management Firm Specializing in the
INSURANCE AND FINANCIAL SERVICES INDUSTRIES

FIRM BROCHURE

(Form ADV Part 2A)

As of December 31, 2023

PhiloSmith Capital Corporation
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This brochure provides information about the qualifications and business practices of PhiloSmith. If you have any questions about the contents of this brochure, please contact us at 203-348-7365 and or email investors@philosmith.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. PhiloSmith Capital Corporation is a Registered Investment Adviser and that this qualification does not imply a certain level of skill or training. Additional Information about PhiloSmith Capital Corporation also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

SUMMARY OF MATERIAL CHANGES

There have been no material changes in business practices, operations, or asset management since the last annual update.

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This document is an executive summary for informational purposes only. It does not constitute an offer to sell or a solicitation of an offer to buy interests in any investment vehicle managed by PhiloSmith. Interests will be offered to eligible investors only by means of a Confidential Private Offering Memorandum, Limited Partnership Agreement or Prospectus which should be read in their entirety as these documents contain detailed information with respect to terms of the investment and the risks involved in investing.

Item 4 – Advisory Business

Firm Overview

PhiloSmith was formed in 1962 and is now a leading US-based investment banking firm specializing in the insurance and financial services sector. The firm provides two types of services: investment management and corporate finance.

The principal owners are James Amen and James Inglis.

As of December 31, 2023, PhiloSmith manages \$300+ million in assets across various Partnerships and Managed Accounts. The firm attributes its strong, long-term investment performance to its high degree of specialization.

The firm's corporate finance activities primarily involve merger and acquisition advisory and private debt and equity placements. PhiloSmith is consistently ranked as a top advisor within insurance M&A.

The firm's expertise and proprietary research contribute to its ability to be an effective investment manager and merger and acquisition advisor for its clients.

Item 5 – Fees and Compensation

Domestic and Offshore Fee Structure

Fund Name	Management Fee	Performance Fee	Minimum Investment (\$M)	Lockup Period	Fee Structure
PSCO Partners Limited Partnership	1%	15%	\$1	None	Non-Negotiable
PSCO Partners Two Limited Partnership	2%	20%	\$1	1 Year	Non-Negotiable
Managed Accounts	1 ½ %	15%	\$3	1 Year	Negotiable

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

Performance Fee and Incentive Allocation

Partnership performance fees are calculated at the end of the applicable fiscal period of the fund and are allocated/paid to the General Partner or Special Limited Partner on December 31st.

PhiloSmith is an insurance and financial services manager. The manager's approach is based on fundamental research and individual stock selection, including analysis of company and industry trends. The goal is to seek companies with an above-average outlook selling at prices below intrinsic value, while leveraging this research to determine which direction a company is trending in advance of the overall market.

Assets are invested in companies engaged in various segments of the insurance business, including reinsurance, primary property casualty, life, accident and health insurance, insurance brokerage, health maintenance organizations, providers of goods and services to the insurance industry and other companies engaged in insurance related businesses. Assets are also invested in other kinds of financial services companies, including stockbrokers and investment banks, asset management firms, finance companies and commercial banks.

Item 7 - Types of Clients

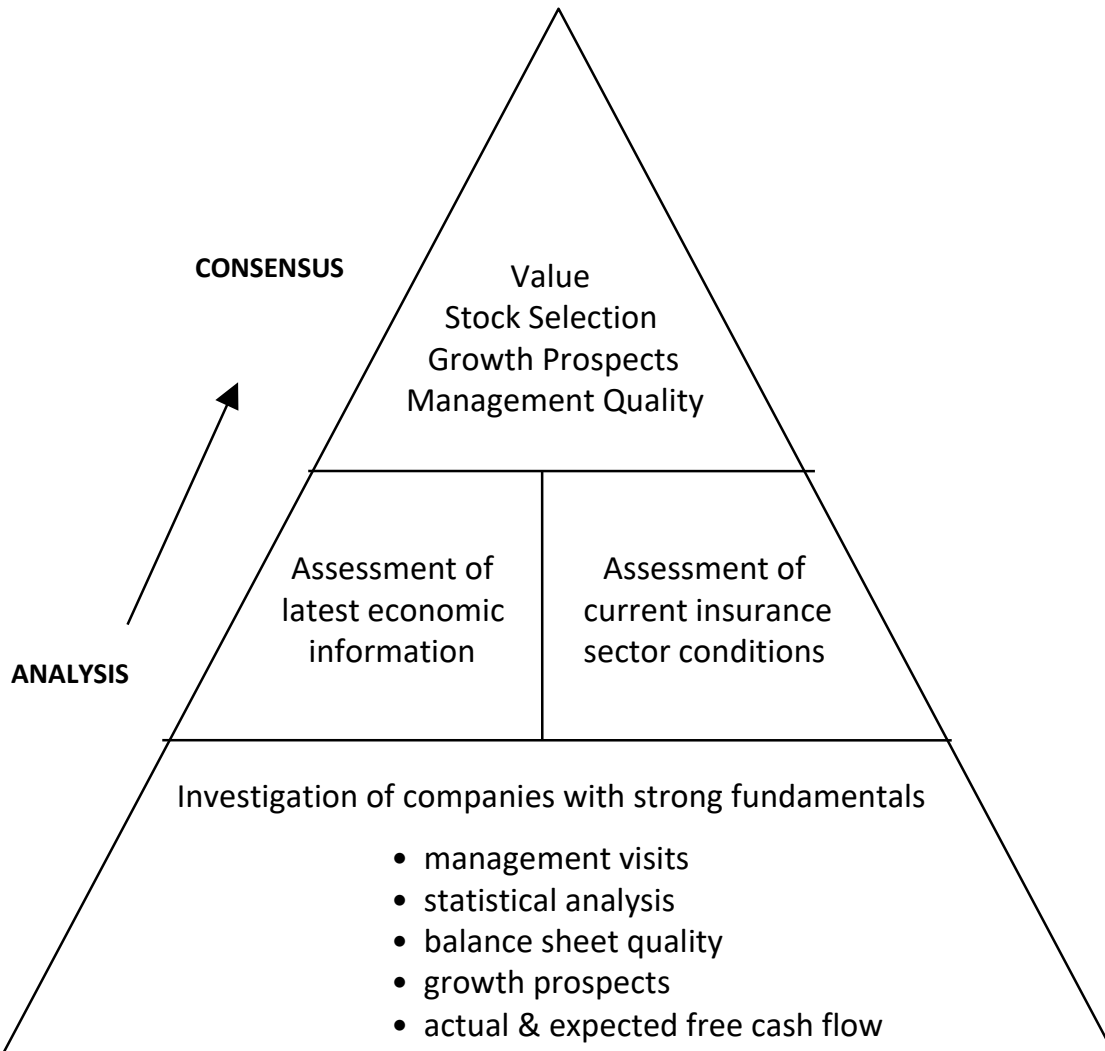
PhiloSmith's clients include but are not limited to High-Net-Worth individuals, Family Offices, Institutional and Fund of Funds.

PhiloSmith has established minimum account requirements reported in Item 5.

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

Manager's Approach:

The Manager's Approach is a pyramid from analysis to consensus as follows:



Decision-Making

The entire investment team is responsible for generating investment ideas and investments are made by consensus of the team as follows:

Sub-Sector Analysis

The decision to buy and sell begins with a sub-sector analysis. The sub-sector analysis determines the sub-sector's top line growth, competitive landscape including substitute products and self-retention, expected loss costs, pricing trends and price adequacy, acquisition costs, reinsurance costs, ratings outlooks, cash flows from operations, earnings projections, expected book value growth, the sub-sector's valuation relative to other sub-sectors, and other factors.

Sub-sector analysis is performed by the research team and by other members of the investment management and the corporate finance teams. The dissemination of the sub-sector analysis is the weekly meeting (usually held on Monday mornings), The Insurance and Financial Review, and the discussion notes from meetings with company management. Other reports may also be circulated on an ad-hoc basis.

Security Analysis

The next step in the bottom-up process for making an investment decision is an assessment of management quality. A buy decision requires a high degree of confidence in management as a necessary but insufficient investment condition. Other necessary conditions are a positive outlook on the sub-sector and a current valuation at or below the company's intrinsic value. A sell decision may be formed based on the investment management team's lack of confidence in management, regardless of the sub-sector outlook or security pricing.

The portfolio managers and the research team are responsible for assessing management quality. Typically, the primary input of this assessment is via one-on-one meetings with the company's senior management, generally the CEO and CFO. These meetings generally occur every 18 months and are supplemented by one-on-one calls with senior management in the intervening months.

Companies are also followed via reviews of 10Q's, 10K's, annual reports and other SEC documents, and investor conferences. Equally important is to keep in contact with staff at the companies followed by an on-going contact with industry participants including but not limited to bankers, rating agencies, brokers, clients, and prospects.

Security Pricing

Security valuation is performed by the portfolio managers and the research team. Valuation is based on comparable analysis and/or discounted free cash flow projections.

Changes to the Portfolio

Once the outlook for a particular sub-sector is formed and consensus achieved, a recommendation to buy or sell a security is made by a portfolio manager. A proposed buy-or-sell decision is reviewed by each portfolio manager before the trade is executed. Other members of the investment management team are encouraged to propose or challenge the buying or selling of a particular security, as the active and on-going dialogue with respect

to sectors, management, companies, and pricing are part of the day-to-day business operations of the company.

Number of Positions

While the investments in the portfolios constitute insurance and financial service-related businesses, the strategies differ for each. The average holdings in a long-only strategy are typically 10 to 20 positions, whereas a long-short strategy would range from 20 to 30 of positions held/sold.

Leverage

Leverage can be utilized in all of our strategies; however gross exposure is monitored closely and typically does not exceed 100%.

RISK MANAGEMENT

Risk Philosophy

PhiloSmith is aware of the various sources of risk in the portfolio that our accredited investors may bear. We employ a process that seeks to identify, measure, monitor and manage the various levels of portfolio risk and these include, but are not limited to:

- Market and interest rates
- Natural catastrophes
- Extreme mortality
- Fiduciary and rogue trader risk
- Credit
- Legislative/judicial
- Regulatory
- Concentration
- Liquidity

Risk Control

PhiloSmith incorporates various risk measurement analyses in its evaluation process. These reports include:

- Volatility Measurement
- Stress Testing
- Liquidity Reporting
- Position Risk

Risk Management

PhiloSmith's risk management includes, but is not limited to the following areas:

a. Portfolio Risk

Portfolio risk includes concentration risk of a particular security and concentration risk of a particular sub-sector, which are managed via limits. Any security that comprises more than 12% of a particular portfolio is monitored closely and is the subject of a weekly review by a portfolio manager. Any sub-sector that comprises more than 25% of a portfolio is monitored closely and is the subject of a weekly review by the portfolio management team. These are soft limits and exceeding these limits does not necessarily entail any action.

Portfolio risk also includes the risk from the use of leverage in a portfolio. PhiloSmith historically does not use leverage to enhance returns, however, it has the capability. When leverage is used, it is monitored and discussed during the weekly review by the investment management team.

b. Security Risk

Security risk encompasses the risk that a particular security in the portfolio will not deliver returns. The bulk of the security-risk management is performed as a part of the portfolio management and research process. Market risk of the security, which is the risk of excessive price declines (or increases for securities sold short), is controlled by monitoring the downside risk associated with holding either a long or short position in a security and is managed via limits. Any security that is purchased and has fallen more than 10% in any given week is the subject of monitoring and an investment management team review is prepared by a portfolio manager. Any security sold short that has risen more than 5% in any given week is the subject of monitoring and an investment management team review is prepared by a portfolio manager. Action levels are 15% price declines for securities held long and 10% price increases for securities sold short and require reducing positions. Action levels can be overridden on a consensus basis by the investment management team.

c. Operational Risk

Operational risk encompasses all other risks that the investment management business is exposed to, e.g., settlement risk, fiduciary risk, and trading risk. Settlement risk is controlled by a timely settlement of trades. The majority of trades are settled through the DTCC. Trades are viewed daily by the portfolio administrator(s) and processed in conjunction with the custodian. Trading risk, including rogue-trader risk, is controlled via the daily process for trade execution. A portfolio manager must present an order ticket to the operations department which is then logged into the trading system. The portfolio administrator(s) disseminate the previous day's activity the next morning to the investment management team, along with cash balances for each account. Typically, in a long portfolio, the turnover ratio is low and any active trading would be readily apparent to senior personnel. Weekly status reports are prepared for senior management each

Friday and include portfolio statements, account activity, cash balances and benchmark analysis for each account. All remaining fiduciary risk is controlled by managing and monitoring the settlement process and by client reporting, typically within 3 days of the month end or 5 days of the quarter end. Clients are free at any time to review the books and records of their accounts.

Size of Positions

The typical position is targeted to be between 4% and 10%. It is the intent to maintain a position that is less than 12% of the funds market value.

Liquidity

PhiloSmith reviews the liquidity of its portfolios on a weekly basis. The analysis includes details on each of the securities trading volume and the number of days that would be required to liquidate a substantial portion of the investment.

Counterparty Risk

Our main counterparty relationships are with brokers and custodians. PhiloSmith engages in business only with firms of high credit quality that are registered members of FINRA and monitors exposures to each counterparty.

Business Continuity Plan

PhiloSmith has a business continuity plan and a disaster recovery plan which covers procedures and responsibilities throughout all departments. We review this plan on an as-needed basis and make changes accordingly.

Item 9 – Disciplinary Information

There are no legal or disciplinary events in past or present to report by either the Firm or its employees.

Item 10 – Other Financial Industry Activities and Affiliations

PhiloSmith is a registered Investment Adviser with the Securities and Exchange Commission. PhiloSmith Securities, LLC is a wholly owned subsidiary and is registered as a broker-dealer with FINRA.

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

LEGAL & COMPLIANCE

Compliance Responsibility

PhiloSmith's Legal and Compliance work is performed by Michele O'Grady in conjunction with outside counsel. Ms. O'Grady serves as the firm's Chief Compliance Officer and holds both the Series 7 and Series 24 licenses with FINRA. Outside counsel is Klienberg, Kaplan and Cohen located in New York, NY.

Anti-Money Laundering Laws

PhiloSmith is fully committed to preventing the use of its operations for money laundering or the funding of criminal activities. The firm complies with all applicable laws and regulations under the United States Patriot Act.

Employee Trading

PhiloSmith maintains an employee trading compliance policy. A central purpose of the business of PhiloSmith is the production of ideas for good investments in insurance and other financial services companies. These ideas are confidential and valuable, and they are proprietary. Therefore, as a matter of policy, employees should not invest in companies of this type in personal accounts. To do so would subordinate the interest of PhiloSmith as a whole to our individual interests. However, employees that actively manage client assets may invest in insurance and other financial services companies in their personal account as long as those investments in their personal account mirror their portfolio account(s).

It is expected that the employee maintain the highest ethical standards for providing asset management services for its clients and that employee is willing to manage client assets as they would their own. To ensure fairness and transparency the employee must observe the following:

- 1) Buy personally what is purchased in the portfolio
- 2) Sell personally what is sold in the portfolio
- 3) Maintain proportionate ratios between personal and portfolio accounts
- 4) Buy/sell for the portfolio account(s) prior to personal account
- 5) Submit a personal transaction report on a quarterly basis

It is not expected that an employee who manages client assets take any current positions on the onset since many of the portfolios have a long history and may have appreciated beyond what is deemed appropriate for a new investment.

Additionally, PhiloSmith subscribes to the same practices that the New York Stock Exchange requires.

Each employee will acknowledge adherence to this policy by submission of a letter to the Managing Partner.

A client at any time may request our Code of Ethics.

Item 12 – Brokerage Practices

Trade Entry & Processing

- The management team reviews investments on a daily basis
- The managers either:
 - a) place orders directly with a broker (giving the back-office an “entered” order ticket), or
 - b) gives an order ticket to the back-office to place the trade
- Back-office personnel log the order into the outstanding order entry system
- End of day phone calls are made to confirm the status of the order
- Completed orders are processed through DTCC and upon review from the back-office personnel are either affirmed or DK’d
- If affirmed, the trade is entered into the portfolio management system and settlement is confirmed on the settlement date
- The DTCC confirm is printed and placed in the open confirm file until the brokers confirm is received in the mail
- The mailed confirm is checked against the DTCC confirm
- The final reconciliation is done at the end of the week against the custodial records

Primary Responsibility

The primary responsibility for the verification and approval of the orders lies with the Portfolio Accountant.

Position and Portfolio

The Firm’s policy and procedures on allocating trades are designed to ensure that all accounts are treated in a fair and equitable manner both in the priority of execution of orders and in the allocation of securities and the price obtained in their execution. No one client or portfolio is favored over another. When the order is not executable in its entirety an appropriate and consistent method of allocation between the accounts is used. This method is based on the account’s investment objective and available cash.

Procedures to Ensure and Review Best Execution

The investment management team reviews executions to ensure that all trades have been executed appropriately and within our best execution policy.

PhiloSmith engages in the practice of placing aggregate orders for the purchase or sale of securities on behalf of its clients. In all cases which an aggregate order to purchase or sell securities is placed by PhiloSmith, each account that participates in the aggregated order will participate at the average price and all transaction costs will be shared on a pro-rata basis. PhiloSmith will act in good faith in the allocation of aggregated orders such that no account is favored over any other account.

Records

PhiloSmith adheres to the recordkeeping requirements under the Investment Advisers Act of 1940.

Item 13 – Review of Accounts

The investment management team periodically reviews client accounts and are responsible for the daily management of accounts. Our investment manager reviews the accounts daily. The investment team gathers as a whole to review the weekly and monthly reports.

REPORTING AND ACCOUNTING

Investor Reports and Correspondence

Information is provided to investors as discussed in the account's offering memoranda. The typical reports may include:

- Monthly Performance Reports
- Quarterly Letters
- Valuation Statements
- Realized Gains/Losses
- Final Year-End Audited Account Statements
- K-1's

These reports are delivered electronically or written

Accounting System

PhiloSmith uses Envestnet/Tamarac's Portfolio Center as its portfolio management system. It is a fully integrated management and accounting system. Cash and positions are reconciled daily by the mid-office accounting personnel via various methods as outlined in the particular accounts set-up procedures. Performance measurement is compiled internally and uses both Portfolio Center and spreadsheets. All data is backed up nightly.

Segregation of Duties

Investment decisions are made by the portfolio management team. Orders are placed by either a portfolio manager or portfolio administrator. Orders are confirmed and entered by the portfolio administrator. The portfolio accountant(s) review and reconcile securities and cash.

Basis of Accounting (Cash vs. Accrual)

All accounting records are kept on an accrual basis in accordance with U.S. GAAP. There have been no significant changes to our accounting policies over the years.

Pricing

Our portfolios are priced at the end of each business day using Interactive Data. Private equity transactions are valued at cost or at a discounted latest round of financing.

Corporate Actions

Corporate Action Notification is provided to Operations and Accounting by our various custodians. All corporate actions are processed by the back-office for entering and confirming on the day of the event.

Process for Redemptions

Investors must submit a written request to the PhiloSmith account representative within the required notification period. Upon obtaining the request, the information will be noted in the internal operations system which tracks the movement of capital. All requests for withdrawals must be approved by the Head of Operations. All wires must have two authorized signatures for release.

Item 14 – Client Referrals and Other Compensation

PhiloSmith does not accept any form of compensation for Client referrals either directly or indirectly. PhiloSmith does not enter into any soft dollar arrangements.

Item 15 – Custody

Prime Brokers/Custodians

PhiloSmith's main custodian is FNZ/State Street Corporation located in North Quincy, MA and their Prime Broker is Morgan Stanley, Stamford, CT. Brokers vary in accordance with our best execution policy and include KBW, New York, NY and J.P. Morgan, New York, NY. Other custodial relationships include Fidelity Investments.

Item 16 – Investment Discretion

PhiloSmith has discretionary authority to manage securities on behalf of clients through an advisory agreement signed by the account holder and the investment manager. Partnership agreements and Managed Accounts agreements are specific in what can and cannot be done in regard to the client placing limitations on discretionary authority.

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Additionally, PhiloSmith subscribes to the same practices that the New York Stock Exchange requires.

Each employee will acknowledge adherence to this policy by submission of a letter to the Managing Partner.

Item 17 – Voting Client Securities

PhiloSmith does not vote proxies on behalf of the Client.

Item 18 – Financial Information

PhiloSmith 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.