

## Form CRS Disclosure

**Item 1. Introduction**

Kerberos Capital Management LLC (“Kerberos”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. Clients and prospective clients should be aware that services and fees differ between investment advisers and broker dealers, and it is important for retail investors to understand the differences. Free and simple tools are available to research advisory firms like us at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

**Item 2. Relationships and Services*****What investment services and advice can you provide me?***

**Services:** For our retail investors, Kerberos generally offers investment advisory services. Client assets are managed through separately managed accounts (“SMAs”) and private funds. Kerberos’ investments will be primarily in the form of loans and other debt instruments collateralized by legal assets, including loans to law firms. Kerberos generally allows SMA clients to impose restrictions on our investment ability, but generally does not allow our private fund investors to impose restrictions beyond those already contained in the underlying fund documentation. In cases where Kerberos does not have discretionary investment authority, clients are responsible for making their own decisions.

**Monitoring:** As part of our standard service, Kerberos continuously reviews client portfolios to ensure they are following their investment strategy and any imposed limitations. Kerberos also conducts limited reviews when triggered by certain account or outside factors.

**Requirements to open and maintain an account:** SMA clients execute an advisory agreement with Kerberos to open an account, and there is no account minimum size. Investments in private funds managed by Kerberos generally require a minimum investment of \$1,000,000 and the execution of the respective fund’s subscription or governing documents.

**ADDITIONAL INFORMATION:** Additional information may be found in our Form ADV, Part 2A, Items 4-7 available at: <https://adviserinfo.sec.gov/>.

**Conversation Starter** - *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

**Item 3. Fees, Costs, Conflicts and Standard of Conduct*****What fees will I pay?***

**Principal Fees and Costs:** Kerberos is generally compensated for its investment advisory services provided to clients as a percentage of assets under management and incentive fees generated from profitable investing. Clients should be aware that Kerberos has a financial incentive to increase investor assets in order to increase its fees and to recommend riskier investments to increase its profitability, such as to invest in securities rather than hold cash. Fees paid to Kerberos for investment advisory services are separate and distinct from the third-party fees and expenses charged to clients’ accounts and investments, such as custodial fees, administration fees, auditing fees, account maintenance, costs of the investment and related fees, costs and expenses.

**ADDITIONAL INFORMATION:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please

make sure you understand what fees and costs you are paying. For more information, please see Items 4-6 in our Form ADV, Part 2A, available at <https://adviserinfo.sec.gov/>.

**Conversation Starter** - *"Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?"*

## **Standard of Conduct/Conflicts of Interest**

***What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?***

**When we act as your investment adviser**, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what that means. Kerberos may have an incentive to have you increase your assets under management because Kerberos is paid, in part, based on this amount.

**Conversation Starter** - *How might your conflicts of interest affect me, and how will you address them?*

**ADDITIONAL INFORMATION:** For more information on conflicts of interest, see Items 4, 6, 9, 10, 11 and 14 of our Form ADV, Part 2A, available at <https://adviserinfo.sec.gov/>.

***How do your financial professionals make money?*** Kerberos' personnel are eligible for variable cash and non-cash compensation based on the firm's growth and performance. This arrangement may create incentives for our personnel to try to increase investor assets and/or engage in riskier investing to enhance returns.

## **Item 4. Disciplinary History**

***"Do you or your financial professionals have a legal or disciplinary history?"***

Kerberos has not been subject to any disciplinary events by regulators, nor is it a party to any legal proceedings that are material to client evaluation of our advisory business. You may visit <https://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.

**Conversation Starter** - *As a financial professional, do you have any disciplinary history? For what type of conduct?*

## **Item 5. Additional Information**

If you have any questions about our investment advisory services or if you wish to request a copy of this relationship summary, please contact us at [kpearson@kerberoscm.com](mailto:kpearson@kerberoscm.com). Additional information about us is available on the SEC's website at <https://adviserinfo.sec.gov/>. You may also call us at (312) 854-8787 for up-to-date information and to request a copy of this relationship summary.

**Conversation Starter** – *Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Whom may I speak with if I have concerns about how this person is treating me?*