

# **Kelson Asset Management LLC**

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## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Kelson Asset Management LLC. If you have any questions about the contents of this brochure, contact us at 917-691-8007. 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.

Additional information about Kelson Asset Management LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Kelson Asset Management LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 31, 2023, we have no material changes to report.

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## Item 4 Advisory Business

### Description of Firm

Kelson Asset Management LLC is a registered investment adviser primarily based in Stamford, CT. We are organized as a limited liability company ("LLC") under the laws of the State of Delaware. We have been providing investment advisory services since 01/05/2021. We are primarily owned by Daniel Ledva and Brian Rathjen.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Kelson Asset Management LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Asset Management Services

Kelson Asset Management currently provides investment advisory services access to private investment funds, co-investment opportunities, and direct deals (individually, a "**Fund**" and collectively as the "**Funds**"). The detailed terms, strategies and risks applicable to the Funds are described in each Fund's organizational and offering documents. Details of the guidelines, parameters and restrictions on investments relating to the Fund clients may be found in the applicable Fund's Private Placement Memorandum.

Such Funds are available for investment only by institutional investors and other sophisticated, high-net-worth investors, who meet the eligibility requirements of the applicable fund set forth in its Governing Documents. Each such fund is exempt from registration as an investment company under the U.S. Investment Company Act, as amended (the "Investment Company Act"), under Section 3(c)(1) thereof.

### Wrap Fee Programs

We do not participate in any wrap fee program.

### Assets Under Management

As of December 31, 2023, we provide continuous management services for approximately \$173,054,694 in client assets managed on a discretionary basis.

## Item 5 Fees and Compensation

To qualify for an investment in a Fund an investor to the Fund must be a qualified investor, either as an accredited investor or qualified purchaser as applicable to the corresponding Fund offering documents. For a full description of the applicable fees, including performance based fees, and expenses charged to the respective Fund, investors should review the associated offering documents.

For Fund Investments (Fund, Co-Investment, and Direct Deals) fees range from a one time upfront management fee/administration fee, based on the percentage of investment amount, to an annual management fee, and/or performance (carried interest) based fee.

**Co-investments** may be charged based on various factors as an example:

Neither the Manager's nor any Class A Member's interest in the Company will bear any management fee. For purposes of the LLC Agreement, an Investment Series shall be terminated upon the disposition of the Securities held in respect of such Investment Series and final distribution of cash and Securities, if any, related thereto.

In the case of each Class B Member, one percent (1%) of such Class B Member's Series Commitment Amount related to such Investment Series and in the case of each Class C Member, two percent (2%) of such Class C Member's Series Commitment Amount related to such Investment Series. Such applicable management fee shall be payable or accrue as follows: (i) the initial annual management fee payment related to such Investment Series shall be paid on the date the initial capital contribution is made by such Member in respect of its Series Commitment Amount related to such Investment Series, and (ii) the remaining annual management fee payments shall be paid in annual installments starting on or after the first anniversary of the date the initial capital contribution is made by such Member in respect of its Series Commitment Amount related to such Investment Series until the termination of such Investment Series.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with Kelson Capital and Roberts & Ryan, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

## **Item 6 Performance-Based Fees**

To qualify for an investment in a Fund and its performance-based fee arrangement, an investor to the Fund must be a qualified investor, either as an accredited investor or qualified purchaser as applicable to the corresponding Fund offering documents. For a full description of the applicable fees, including performance based fees, and expenses charged to the respective Fund, investors should review the associated offering documents.

The **Funds** performance fee is generally equal to a maximum of 30% of the annual gross profits generated within the fund. Performance based fees vary will be adjusted for deposits and withdrawals made during the 12-month period. In the event the fund is closed out and assets are sold on a date other than year-end, fees will be due at the time of withdrawal.

**Co-investment** performance fees are based as an example on various factors and include a performance fee as follows:

First, one hundred percent (100%) shall be distributed to such class of investor until unreturned capital contributions with respect to such Investment Series are reduced to zero; and (b) Thereafter, ninety percent (90%) shall be distributed to such class of investor and ten percent (10%) shall be distributed to the Manager. Interim Amounts apportioned to each class investor will be distributed to such class of investors and the Manager in accordance with the following: (a) First, one hundred percent (100%) shall be distributed to such class of investor, Member until such class investors unreturned capital contributions with respect to such Investment Series are reduced to zero; and (b) Thereafter, eighty percent (80%) shall be distributed to such Class Investor and twenty percent (20%) shall be distributed to the Manager.

Performance-based fees create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance-based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

## **Item 7 Types of Clients**

We offer investment advisory services to private investment funds.

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

### **Funds**

Kelson Asset Management bases its advice to such private investment funds on the investment objective and restrictions (if any) set forth in the applicable offering memorandum, organizational documents, investment management agreement, and/or subscription agreements.

Please refer to the Fund's offering documents for further information regarding methods of analysis investment strategies and risk of loss.

### **Recommendation of Particular Types of Securities**

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

**Private Placements:** A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission.

**Risk:** Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

### Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Kelson Capital, LLC and Roberts & Ryan, Inc. a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### Arrangements with Affiliated Entities

We are affiliated with Kelson Capital LLC and Roberts & Ryan, Inc. through common control and ownership. The affiliate is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Persons providing investment advice on behalf of our firm are also registered representatives with our affiliate broker dealer. In their capacity as registered representatives, these persons may receive commission-based compensation in connection with the purchase and sale of securities. Compensation earned by these persons in their capacities as registered representatives is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

**Item 12 Brokerage Practices**

We do not have any offering for retail brokerage or trading ability or maintaining.

**Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

We are not directing brokerage.

**Aggregated Trades**

We do not aggregate trades.

**Item 13 Review of Accounts**

The Chief Compliance Officer will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will not provide you with regular written reports.

**Item 14 Client Referrals and Other Compensation**

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are registered representatives with Kelson Capital, LLC and Roberts & Ryan, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.



## **Item 15 Custody**

### **Private Investment Companies**

We serve as the investment adviser to KC 10T Partners SPV LLC, KC10T AI Partners SPV, LLC, KC10T Kraken Co-Investment SPV LLC, KC10T Bitfury Co-Investment SPV LLC, KC10T Cipher Co-Investment SPV LLC, KC10T DAE Partners SPV, LLC, KC10T Ledger Co-Investment SPV LLC, KC10T Helium Co-Investment LLC, KC10T Derbit Co-Investment LLC, KAM 10T QN, LLC, KAM Spectrum SPV, LLC, KAM TD SPV, LLC and KAM Annapolis SPV, LLC (the "Fund", whether one or more), a private pooled investment vehicle in which our clients are not solicited to invest. The Fund is offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents. Persons affiliated with our firm may have made an investment in the Fund and may have an incentive to recommend the Fund over other investments.

In our capacity as investment adviser to the Fund, we will have access to the Fund's funds and securities, and therefore have custody over such funds and securities. We provide each investor in the Fund with audited annual financial statements or go through a surprise examination by an independent accountant. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Form ADV Part 2A requires registered investment advisers to disclose whether or not they accept discretionary authority to manage client accounts. We do not provide discretionary advisory services.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.