

## **Kain Capital LLC**

One World Trade Center Suite 49P  
New York, NY 10007

[www.kaincap.com](http://www.kaincap.com)

**March 26, 2024**

Form ADV Part 2A  
Firm Brochure

This Part 2A of Form ADV (this “Brochure”) provides information about the qualifications and business practices of Kain Capital LLC (“Kain Capital,” the “Adviser,” or “us”). If you have any questions about the contents of this Brochure, please contact us at (646) 631-2200 or [info@kaincap.com](mailto:info@kaincap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

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

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

This Brochure, dated March 26, 2024, provides you with a summary of the advisory business of Kain Capital. The last Brochure for Kain Capital was filed in March 2023. No material changes have occurred since that time. This Brochure will be updated at least annually, or more frequently, as required.

### Item 3 Table of Contents

Item 1 Cover Page .....	1
Item 2 Summary of Material Changes .....	2
Item 3 Table of Contents .....	3
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	4
Item 6 Performance-Based Fees and Side-By-Side Management .....	5
Item 7 Types of Clients .....	6
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 Disciplinary Information .....	11
Item 10 Other Financial Industry Activities and Affiliations .....	11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	12
Item 12 Brokerage Practices .....	13
Item 13 Review of Accounts .....	13
Item 14 Client Referrals and Other Compensation .....	14
Item 15 Custody .....	14
Item 16 Investment Discretion .....	14
Item 17 Voting Client Securities .....	14
Item 18 Financial Information .....	14

## Item 4 Advisory Business

### Description of Firm

Kain Capital is an investment adviser with its principal place of business located in New York, NY. Kain Capital was formed and began operations in 2014. The Adviser is organized as a limited liability company ("LLC"), owned by Kunal Kain.

Kain Capital provides investment advisory services to privately offered pooled investment vehicles (the "Funds" or "Clients") that invest primarily in private equity investments. The general partner of each Fund is an affiliate of Kain Capital (each a "General Partner" or "Affiliate"). Kain Capital manages each Fund's assets on a fully discretionary basis in accordance with the investment objectives outlined in the relevant Offering Documents (defined below). To date, each Fund invests in a single investment. The Funds seek returns by investing in private companies across multiple sectors, including healthcare and technology, among others.

Kain Capital manages each Fund in accordance with the relevant limited partnership agreement, investment management agreement, offering memorandum, and/or other applicable Fund documentation (collectively, "Offering Documents"), where applicable.

Any restrictions on investments are set forth in each respective Fund's Offering Documents. Kain Capital does not tailor its investment advice to the individual investors in each Fund that it manages. As such, investors cannot impose restrictions on the types of investments made through the Funds. Subject to applicable law and the relevant Fund's Offering Documents, the general partner of certain Funds has entered into side letter arrangements with certain investors that have the effect of altering or supplementing the terms of such investors' investments in the Fund, including waivers or reductions of fees, access to portfolio information, rights to make withdrawals, and circumstances under which withdrawals are required.

Kain Capital does not participate in any wrap fee programs.

Kain Capital does not currently, nor does it currently anticipate that it will, provide advice to clients that are retail investors.

### Assets Under Management

As of December 31, 2023, Kain Capital managed approximately \$397,296,000 of Client assets on a discretionary basis. Kain Capital does not manage any Client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### A. Fees

Kain Capital and its affiliates receive a management fee ("Management Fee") from some of the Funds and performance-based compensation ("Performance Fee") from each Fund (together, "Fees"). Descriptions of the Management Fee, if applicable, and the Performance Fee relating to each Fund are set forth in its respective Offering Documents. Management Fees for the Funds vary up to 2% of the Fund's capital commitments. The Performance Fee varies by the terms of each Fund's Offering Documents up to 30%. Kain Capital and its affiliates reserve the right to negotiate, waive, reduce, rebate, or calculate differently, Fees with respect to any Client and any Fund investor, in certain instances. Kain Capital and/or its affiliates also receive monitoring fees from certain of the relevant Funds' portfolio companies. Monitoring fees are based on capital commitments (during the investment period) and capital contributions (after the investment period). If and when portfolio companies pay these monitoring fees, the Fund is not directly charged for these fees, but investors in such Fund will bear these fees indirectly through their return on the Fund's investments in the portfolio companies.

## **B. Billing**

Kain Capital generally deducts Management Fees directly from a Fund's account held at a qualified custodian in advance on the first calendar day of each quarter and, where applicable, Kain Capital or its affiliates will realize a Performance Fee as set forth in the Fund's Offering Documents.

## **C. Additional Expenses**

Clients generally bear expenses incurred in connection with the organization and formation of the Funds and other related entities including: (a) accounting fees and expenses; (b) printing costs; (c) travel and entertainment expenses to market the Funds and other related marketing expenses; (d) filing fees; and (e) legal fees and expenses. These expenses will generally be passed on to and split pro rata among the investors in each Fund.

Clients will pay operating expenses such as investment-related expenses (e.g., brokerage commissions, custodial fees, bank service fees, including legal costs, appraisal costs and other costs of performing due diligence); investment-related travel expenses and travel and entertainment expenses; transaction-related legal and due diligence expenses; expenses incurred in connection with any amendments to the investment management agreement and external legal fees relating to the Fund's activities and operations; expenses associated with meetings of Fund investors; professional fees relating to the investment (including, expenses of consultants and experts); third-party valuations; external accounting expenses; auditing and tax preparation expenses; entity-level taxes; administrative expenses; insurance expenses (including, directors and officers, and errors and omissions liability insurance); and other similar expenses related to the Funds; and extraordinary expenses (i.e., litigation costs or damages) reasonably incurred in connection with the operation of the Fund. Such expenses are generally passed on to and split pro rata among the investors in each Fund.

The specific fees and expenses for each Fund are described in the Fund's Offering Documents.

If any operating expense or other cost is incurred jointly by more than one Fund, such costs and expenses are generally expected to be paid pro rata by such entities based on the net asset value of such entities. Kain Capital has the discretion to cause such expenses to be paid by such Funds pursuant to another methodology if it reasonably determines that it would be fair and equitable to do so.

From time to time, certain affiliates of Kain Capital (including the general partners of certain Funds) receive monitoring fees, transaction fees, upfront fees, and/or break-up fees from transactions with certain portfolio companies in which the Funds are invested. Also, from time to time, employees or partners of Kain Capital, in their individual capacity and not as employees or partners of Kain Capital, may serve as directors or board members with respect to, or provide management consulting services to, portfolio companies in which certain Funds invest. Any compensation received in connection with such services will be retained by such employee or partner, rather than Kain Capital or the Funds.

For a more complete discussion regarding fees and expenses applicable to a particular Fund, please refer to the appropriate Offering Documents.

Neither Kain Capital nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

Kain Capital manages Clients that pay different levels of performance-based compensation, but that utilize similar investment strategies and, at times, invest in assets within the same sectors. Performance-based compensation includes carried interest, incentive allocation, and other similar forms of performance-based compensation.

Clients that pay performance-based compensation reward Kain Capital or its affiliates for achieving positive investment performance for those Clients. The higher a performance-based compensation arrangement is

for a certain Client, the greater the incentive for portfolio managers to make investments that present a greater potential for return but also a greater risk of loss, or that are more speculative than would exist if only asset-based fees were applied.

The simultaneous management of multiple Clients that pay different levels of compensation creates a conflict of interest as Kain Capital has an incentive to favor Clients that pay higher fees. Because, to date, the Funds all invest in single investments, this difference in compensation structure has not affected Kain Capital's allocation of investments among the Funds. If an issue arises where it is possible for an investment to be allocated to more than one Client, the Adviser will allocate the investments in accordance with its fiduciary duty and its then-current allocation procedures.

For additional information about these situations, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

## **Item 7 Types of Clients**

As described in Item 4 – Advisory Business, Kain Capital currently provides investment advisory services to privately offered pooled investment funds including partnerships or other pooled investment vehicles formed under domestic laws and operated as investment pools that are excluded from the definition of an investment company under the Investment Company Act of 1940, as amended (the "Company Act"). At this time, it is not anticipated that Kain Capital will provide advice to advisory clients that are "retail investors" as defined by Rule 204-5(d)(2) under the Investment Advisers Act of 1940, as amended ("Advisers Act"). Fund investors generally include individual investors, institutional investors and other sophisticated investors; however, investors in the Funds are not Clients of Kain Capital by virtue of their investment in a Fund. Each Fund's Offering Documents impose a minimum contribution for investment, which varies from Fund to Fund. A Fund's general partner may waive the minimum investment or contribution with respect to any investor in the Fund, in its sole discretion.

Interests in the Funds are currently offered on a private placement basis, and where applicable, in reliance on Section 3(c)(1) of the Company Act, to persons who generally are "accredited investors" as defined under the Securities Act of 1933, as amended (the "Securities Act"), or "knowledgeable employees" as defined under the Company Act, and who are subject to certain other conditions, which are fully set forth in the Offering Documents of such Funds. Interests in, or shares of, the Funds are sometimes offered to persons who are not "U.S. Persons," as defined under Regulation S of the Securities Act, or who are tax-exempt U.S. Persons (or entities substantially comprised of tax-exempt U.S. Persons) and who are subject to certain other conditions, which are fully set forth in the Offering Documents of such Funds.

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

### **A. Methods of Analysis and Investment Strategies**

Kain Capital manages each Fund in accordance with a strategy to seek returns by investing in private companies across multiple sectors, including healthcare and technology, among others. Kain Capital's investment strategies focus on growth, operational efficiency, and investments in technology that drive automation and productivity improvements. Kain Capital currently manages privately-offered pooled investment vehicles, which pursue investments directly through one or more entities in which the Funds have a direct ownership.

Kain Capital selects securities principally based on a fundamental approach to securities analysis. Kain Capital generally identifies investment opportunities through field research of a sector and its long-term prospects, mapping out a sector's key participants and landscape, and recruiting investment professionals and senior executives with sector-specific knowledge to help identify potential investments.

Ongoing due diligence of portfolio investments includes rigorous analysis of issuers' valuations and the competitive landscape. Kain Capital believes that such intensive fundamental research combined with deep domain and information technology expertise will generate a sustainable competitive advantage.

There can be no assurance that Kain Capital's investment objectives will be achieved and investment results will vary, and may vary substantially. Stock ownership in private companies is highly illiquid. Further, certain of the Funds' portfolio companies' industries are highly competitive and revenues are subject to reimbursement rates controlled by government and private payers.

Kain Capital's activities for each Fund are further described in each Fund's Offering Documents. Such documents also detail the various investment restrictions on types of investments by a Fund.

## **B. Material Risk Factors**

Investing in securities involves risk of loss that Clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken in managing Client assets are subject to various market, liquidity, currency, economic, political and other risks, and investments may lose value. The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy, or all of the risks applicable to Kain Capital or a particular investment. Rather, it is a general description of the nature and risks of the advisory services provided by Kain Capital and the related investments. This summary is qualified in its entirety by reference to the Offering Documents that apply to each of the Funds managed by Kain Capital. Investors should carefully read such documentation before making an investment and should refer to the applicable Offering Documents for a particular Fund for the risk factors associated with that Fund.

### No Assurance of Investment Returns

There is no assurance that any investment will be able to generate returns for Clients or that the returns will be commensurate with the risks of investing with Kain Capital. There can be no assurance that any Client's investment objective will be achieved or that there will be any return of capital. There can be no assurance that projected or targeted returns for any Client will be achieved.

### Investment and Trading Risk

No guarantee or representation can be made that the investment program of a Client will be successful. A Client or an investor in a Fund should be aware that it may lose all or part of its investment. While investments in companies in certain industries offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological, and regulatory risk which can result in substantial losses. Moreover, investment portfolios may include investments particularly subject to increased risk because they are in companies at an early stage of development, which have been or may go into bankruptcy, acquired as leveraged buyouts subject to interest rate fluctuations, or engaged in highly competitive industries dominated by companies with substantially greater resources. The stock market has experienced volatility which affected the securities of companies. As a result, the performance of a Client's portfolio may experience substantial volatility and potential for loss. In addition, in the event that a Client makes short term transactions or frequently trades, (a) its performance would be subject to market trends in general and changes in market trends during a trading day and (b) portfolio turnover and brokerage commissions may be greater than for other investment accounts of similar size not frequently trading or engaging in short term transactions.

### Dependence Upon Kain Capital's Performance

The success of Kain Capital's Clients is substantially dependent upon the skills of Kain Capital and its personnel in sourcing, selecting, and monitoring investments. There can be no assurance that Kain Capital will successfully identify investments which fulfil a Client's investment objective or that the Client's investments will not cause the Client to experience investment losses. Any prior success of Kain Capital or its personnel should not be construed as assuring any level of future success or profitability to its Clients.

### Competitive Market for Investments; Unidentified Investments

The business of identifying and structuring certain transactions is competitive (and may become more competitive in the future) and involves a high degree of uncertainty. There can be no assurance that Kain Capital will be able to locate and complete attractive investments, or that any of the Funds' investments will produce returns that achieve the objectives of such Clients. Furthermore, there can be no assurance that

a Client will be able to invest its entire amount of capital or that suitable investment opportunities will otherwise be identified.

#### Concentration of Investments

Kain Capital's Clients participate in a limited number of investments, and seek to make several investments in one industry or one industry segment (e.g., the healthcare sector, or the biotechnology or medical technology segment of such sector). As a result, Kain Capital's Clients' investment portfolios are highly concentrated and their respective aggregate returns will be affected substantially by the performance of only a few holdings. In addition, in the case of the Funds, withdrawal from a Fund by an investor owning a significant portion of outstanding interests of the Fund could materially adversely affect the performance of the Fund.

#### Equity Securities

Kain Capital's Clients primarily invest in unlisted securities. The volume of trading in unlisted securities is generally less than that found on securities exchanges. Therefore, it may be more difficult to buy and sell these securities, which increases the volatility of their share prices. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of issuers, the market in which such companies compete as well as market conditions and general economic environments.

#### Risk of Private Equity Investments

Kain Capital's Clients transact in private equity investments. Private equity investments are expected to have a very high degree of risk. Private equity-backed companies may have limited or no operating history, unproven technology, untested management, and unknown future capital requirements. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel.

Furthermore, such investments may be illiquid, difficult to value, and/or volatile, and may present business and financial risks, which can result in substantial losses or the inability of a Client to dispose of its investments in such companies. Private equity-backed companies may have no or little revenues and may not be profitable, while nevertheless requiring considerable additional capital to develop products, technologies and markets, acquire customers and achieve, or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the products, technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Although a Client may in certain instances be represented on a portfolio company's board of directors, each portfolio company will be managed by its own officers who may not be affiliated with the Client. Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage. Furthermore, it is possible that any such portfolio company may not be able to achieve a successful IPO or sale and an investor may incur substantial losses as a result thereof.

#### Healthcare Industry Risks

Kain Capital invests Client assets in securities of issuers in the healthcare industry. Investing in securities and other instruments of healthcare companies involves substantial risks. Such risks include, but are not limited to, the following: (a) changes in government policies, including policies regarding reimbursement of medical expenses and products; (b) certain companies in which Kain Capital will invest may have limited or no operating histories, or may have limited products, markets and financial resources; (c) rapidly changing technologies may cause products to quickly become obsolete; (d) unanticipated problems often arise in connection with the development and marketing of new products, and many such efforts are ultimately unsuccessful; (e) scarcity of management and marketing personnel with appropriate technological or medical training may slow or impede companies' growth; (f) the possibility of lawsuits related to technological and medical patents or product liability could cause delays and expense in product development and implementation; (g) regulatory changes and/or government actions may prevent a company from marketing its products; (h) investors' changing sentiments and preferences with regard to investments in healthcare companies (which may be perceived as risky) may have an adverse effect on the price of underlying securities; (i) volatility in the U.S. stock markets affecting the prices of securities of

healthcare companies may cause Kain Capital's Clients' investments to experience substantial volatility; and (i) certain healthcare companies may be subject to extensive government regulation and associated compliance costs, and affected by government reimbursement policy changes. In addition, many healthcare companies may have substantial and ongoing capital needs for research and development, clinical trials and marketing and may have difficulty obtaining such funding under various market conditions or even under normal market conditions or such capital may be obtained on terms that are not favorable to existing equity holders. Also, obtaining government approval for new products from governmental agencies can be lengthy, expensive and uncertain, and withdrawal, restriction, or curtailment of government support could have an adverse impact on the profitability or market price of healthcare companies. Furthermore, delays in generating products (as well as more general ongoing capital requirements) may result in the need for companies to seek additional capital, potentially diluting the interest of existing investors, including Kain Capital's Funds.

#### Reliance on Key Personnel

Kain Capital is given broad discretion and flexibility to select and manage the investments of its Clients. The success of these Clients is dependent in large part upon the expertise of Kain Capital and Kunal Kain. Furthermore, while Kunal Kain has significant incentives to continue his activities on behalf of Kain Capital's Clients, there can be no assurance that he will do so.

#### General Economic Conditions

The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of equity prices, interest rates, general levels of economic activity, and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility, illiquidity, governmental action, currency devaluation, or other events in global markets in which Clients directly or indirectly holds positions, or national and international circumstances (such as terrorist acts, wars, or security operations) or acts of God (including tornadoes, hurricanes, epidemics, and earthquakes), could impair the ability of the Kain Capital to carry out its business and could cause its Clients to incur substantial losses. In recent years, U.S. and non-U.S. securities markets and exchanges experienced high volatility, market disruption and substantial losses and resulted in governmental reform affecting the hedge fund industry. Prospective investors should be aware that similar market conditions in the future may present significant challenges to investors, including managers with past success under other market conditions. Private investment funds are likely to be further impacted by the recent events in financial markets around the world.

#### Acts of God and Geopolitical Risks

The performance of Kain Capital's Clients could be impacted by acts of God or other unforeseen and/or uncontrollable events (collectively, "Disruptions"), including, but not limited to, natural disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These Disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment's profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions.

The extent of the impact of any such Disruptions on Kain Capital, its Clients, and any underlying portfolio company's operational and financial performance will depend on many factors, including the duration and scope of such Disruptions, the extent of any related travel advisories and restrictions implemented, the impact of such Disruptions on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its interference with important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A Disruption may materially and adversely impact the value and performance of any investment, the Kain Capital's ability to source, manage and divest investments, and Kain Capital's ability to achieve its Clients' investment objectives, ultimately resulting in significant losses to Clients and Fund investors. In addition,

there is a risk that a Disruption will significantly impact the operations of Kain Capital, its Clients, and their underlying portfolio companies, or even temporarily or permanently halt their operations.

#### Illiquid Investments

The Clients' portfolio companies are private companies. Investment in such companies will be subject to legal and other restrictions on resale and will otherwise be less liquid than publicly traded securities. Such investments involve a high degree of risk. There will not always be a public market for illiquid investments, and there is no guarantee that a public market will develop for such investments. There are often substantial restrictions on a Fund's ability to withdraw capital from, or transfer their interests in, an illiquid investment.

#### Cybersecurity and Disaster Recovery

Cyber incidents affecting Kain Capital and its various service providers have the ability to disrupt and impact business operations, potentially resulting in financial losses, interference with a Fund's ability to value its securities or other investments, impediments to trading, the inability of Clients and Fund investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which Clients invest, counterparties with which Clients engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future.

While business continuity plans and risk management systems are designed to prevent and mitigate cyber incidents and other disasters, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Kain Capital has only limited disaster recovery plans for its operations, and relies on outside parties for some key accounting and operational functions, who in turn may also have limited disaster recovery plans, which Kain Capital has no control over and which could negatively impact Clients and Fund investors. There is no assurance that any of these disaster recovery plans will be in place or will work, which could result in significant losses to Clients and Fund investors.

#### Investment Selection

Kain Capital selects investments, in part, on the basis of information and data prepared by the issuers of such securities or made directly available to Kain Capital by the issuers of the securities through sources other than the issuers. Although Kain Capital evaluates all such information and seeks independent corroboration when they consider it appropriate and when it is reasonably available, Kain Capital is not in a position to confirm the completeness, genuineness or accuracy of such information and data.

#### Potential of Loss

Kain Capital and the Funds are relatively new enterprises with limited operating histories. Accordingly, an investment in any Client's portfolio managed by Kain Capital entails a high degree of risk. There can be no assurance that Kain Capital will achieve the investment objective of any Client or that the strategies described herein and in the Funds' relevant Offering Documents will be successful. Given these factors, there exists a possibility that a Fund's investor could suffer a substantial or total loss as a result of an investment in any Client's portfolio.

#### Future Legal, Tax and Regulatory Risks for Private Funds

Future legal, tax and regulatory changes could occur that may adversely affect Kain Capital or the Funds. The regulatory environment for private funds is evolving, and changes in regulations that impact private funds may adversely affect the value of investments held by a Fund and the ability of a Fund to pursue its investment strategies. The SEC, other regulators and self-regulatory organizations and exchanges have taken various extraordinary actions in connection with recent and past market events and may take additional actions. A Fund may also be adversely affected by changes in the enforcement or interpretation of existing laws, rules and regulations, including tax laws, by federal, state and non-U.S. agencies, courts, authorities or regulators. The effect of any future regulatory changes on a Fund or Kain Capital could be substantial and potentially adverse.

### Political and Economic Considerations

Changes in political, social and economic conditions could have substantial impact on the investments made in a Client's portfolio. Such potential changes include, but are not limited to, (a) risks associated with different (and lower quality) information being available, (b) higher rates of inflation, (c) greater governmental involvement in the economy, (d) stricter or more expansive governmental regulations in the healthcare services, technology and/or business services and sectors, and (e) contraction of economies, in particular, loss of consumer confidence and an economic slowdown in the markets in which Clients are invested, which may impact a Client's financial performance and the value of its investments.

### Volatility

While volatility can create profit opportunities for the Funds, it can also create the specific risk that historical or theoretical pricing relationships will be disrupted, and may cause what should otherwise be comparatively low risk positions to incur losses. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. The expanded influence of social media platforms on the market, combined with the access to costless retail brokerage, can exacerbate the volatility of particular issuers.

### Financial Institution Risk

Actual events involving reduced or limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions or other companies in the financial services industry, including banks and other custodians of an investor's funds and securities, or impact the financial services industry generally, as well as concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, defaults on financial obligations, non-performance of contractual obligations, and other adverse impacts on these financial institutions, investors that deposit funds and securities at these institutions, lenders and borrowers of these institutions, and other companies in the financial services industry. For example, on March 10, 2023, Silicon Valley Bank, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. Investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact the ability to meet operating expenses, satisfy financial obligations, liquidate portfolio holdings, withdraw capital, or fulfill other obligations, or result in breaches of financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on portfolio holdings, fund performance, or business operations.

## **Item 9 Disciplinary Information**

Neither Kain Capital nor any of its management persons has any reportable disciplinary events.

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

Neither Kain Capital nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Neither Kain Capital nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Each of Kain Akeso GP, LLC, Kain EAH GP, LLC, Kain Geras GP, LLC, Kain Geras II GP, LLC, Kain Geras GP III, LLC, Kain MC GP, LLC, Kain MC II GP, LLC, Kain MDN GP, LLC, and Kain Pera GP, LLC (together, the "Fund GPs") is an affiliate of Kain Capital, serves as general partner to one or more of the Funds, and

is controlled by Kunal Kain (Kain Akeso GP, LLC is also controlled by Stelios Hoimes). Kain Capital and the Fund GPs share personnel who are responsible for managing the investments of multiple Clients. Although Kain Capital believes its research efforts are synergistic for all of its Clients, this simultaneous management creates conflicts as to the amount of time and resources committed by Kain Capital's personnel to managing each Client's portfolio of investments. Kain Capital will devote as much time to each of its Clients as it deems appropriate to perform its duties in accordance with each Client's applicable Offering Documents. Kain Capital also mitigates this conflict through disclosure to its Clients and investors, as well as through policies and procedures that prohibit Kain Capital's personnel from unduly favoring any one Client over another.

As mentioned in Item 5 – Fees and Compensation, from time to time, certain of Kain Capital's employees or partners receive compensation for serving as directors or board members of portfolio companies in which certain Funds invest.

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

### **A. Code of Ethics**

Kain Capital has adopted a Code of Ethics for all supervised persons that describes, among other things, Kain Capital's standard of business conduct and fiduciary duty to its Clients. The Code of Ethics will include provisions relating to a prohibition on insider trading and personal securities trading procedures and reporting requirements, among other things. All supervised persons at Kain Capital are required to acknowledge the terms of the Code of Ethics.

Kain Capital's Clients or prospective clients, and current and prospective Fund investors, may request a copy of the Adviser's Code of Ethics by contacting the Adviser at (646) 631-2200 or [info@kaincap.com](mailto:info@kaincap.com).

Kain Capital addresses potential conflicts through regular monitoring of each Client's portfolio for consistency with Fund objectives and strategies. Further, Kain Capital carefully considers the risks involved in any investments and provides extensive disclosure to Clients and investors regarding the risks related to investing with Kain Capital.

### **B. Personal Trading**

Per Kain Capital's Code of Ethics, employees (and certain family members) are subject to personal trading limitations. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Kain Capital will not interfere with (a) making decisions in the best interest of its Clients and (b) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Employee trading is monitored to detect and prevent conflicts of interest between Kain Capital and its Clients. Kain Capital's Code of Ethics will require employees to submit initial and annual holdings reports detailing each employee's trading positions, as well as quarterly transaction reports in compliance with Rule 204A-1 of the Advisers Act.

### **C. Participation or Interest in Client Transactions**

Principals, officers and employees of Kain Capital and its related persons and affiliates are or may be investors in the Funds. As such, it is possible that Kain Capital will cause a Fund to buy or sell securities in which Kain Capital or one of its related persons has a financial interest. For example, Kain Capital could recommend that a Fund invest in a portfolio company in which another Fund previously invested. Moreover, Kain Capital is incentivized to favor the Funds in which Kain Capital or its employees and affiliates have a greater financial interest. Kain Capital addresses this conflict through disclosure to its Clients and the Fund investors, as well as through policies and procedures governing the allocation of investment opportunities, which are described in Item 6 – Performance-Based Fees and Side-by-Side Management.

#### **D. Material Non-Public Information**

Kain Capital maintains policies and procedures that are designed to detect and prevent the misuse of material nonpublic information by Kain Capital and its employees. In accordance with these policies, to prevent trading of public securities based on material nonpublic information, Kain Capital maintains and updates as needed a “restricted list” of companies about which Kain Capital employees have or expect to receive material, nonpublic information.

As discussed in Item 5 – Fees and Compensation, from time to time, Kain Capital’s employees or partners serve as directors or board members of Fund portfolio companies. By serving in this capacity, it is possible that a director will obtain material non-public information with respect to the applicable portfolio company. In the event that Kain Capital’s employees or partners acquire material, nonpublic information, Kain Capital’s internal trading policies and procedures prohibit Kain Capital and its employees, for a period of time, from acting upon any such information, even if that would be financially beneficial to Kain Capital, its employees, and/or its Clients. Due to these restrictions, Kain Capital may not be able to initiate transactions on behalf of its Clients that it may otherwise have initiated, including being prevented from selling an investment that it otherwise might have sold.

#### **E. Gifts and Entertainment**

The Code of Ethics restricts Kain Capital employees from giving a gift to, receiving a gift from, or giving or accepting entertainment to or from certain third parties if such gift or entertainment is likely to compromise the independence of its recipient or his/her judgment and is likely to cast doubts over his/her integrity or to seem disproportionate to the business relationship. Certain limits, reporting requirements and prohibitions have been established with respect to giving and the receipt of gifts above certain thresholds.

#### **F. Outside Business Activities**

Kain Capital employees may engage in worthy activities for their community or personal development. Such activities, however, should not impair the working efficiency or responsibilities of the individual. Kain Capital employees may from time to time be asked to serve as a director, adviser, consultant, or employee or engage in other forms of participation in other companies or organizations. Because such commitments often involve substantial responsibilities, or they present actual or apparent conflicts of interest, Kain Capital employees are required to obtain approval prior to accepting such positions.

### **Item 12 Brokerage Practices**

#### **A. Selection of Broker-Dealers**

As a general matter, Kain Capital does not trade marketable securities through broker-dealers, and therefore does not typically use broker-dealers. To the extent Kain Capital trades, or will in the future trade, securities that require it to select broker-dealers, Kain Capital will do so in accordance with its best execution obligations. Best execution means Kain Capital would take into account a range of factors in determining which broker to use for a particular transaction, including, among other things, (a) the ability of the broker to effect the transaction; (b) transaction costs; (c) the size and difficulty of the order; (d) expertise in particular markets; and (e) the relative value of any research and brokerage services or products provided by such broker. This does not necessarily mean Kain Capital would always solicit the lowest commission cost available. Rather, if Kain Capital were to determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the research and brokerage products or services provided by such broker, Kain Capital may pay commissions to such broker in an amount greater than the amount another broker may charge.

#### **B. Aggregation of Trades**

Kain Capital does not aggregate the purchase or sale of securities for its Clients.

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

Client portfolios are under continuous review by the investment team at Kain Capital. Such reviews include, but are not limited to, a review of existing investments, potential investments, cash availability, market

fluctuations, significant events, and investment objectives. All investors in the Funds are expected to receive the following written reports: (a) quarterly unaudited performance reports; (b) annual audited financial statements within 120 days of the fiscal year end; (c) a Schedule K-1; and (d) certain other reports.

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

Kain Capital engages one or more placement agents or solicitors (each a “Promoter”) to obtain underlying investors for certain Funds. In exchange for referrals and solicitations of Fund investors, the Promoters receive a cash referral fee, directly or indirectly, from the Funds. This compensation creates an incentive for the Promoters to refer or solicit investors to the Funds. To address conflicts of interest and comply with applicable law, Kain Capital requires Promoters to provide details, or Kain Capital provides details, to potential investors at or prior to the time of an investor referral or solicitation by the Promoter, about any compensation the Promoter receives for referring or soliciting Fund investors, as well as any material conflicts of interest arising from the Promoter’s relationship with Kain Capital.

#### **Item 15 Custody**

Except as described below, Kain Capital does not maintain physical possession over any Client funds or securities.

Kain Capital uses third party unaffiliated qualified custodians to hold the funds and securities. The Funds are subject to a year-end audit by an independent public accounting firm that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, and audited financial statements of each Fund will be provided to the investors of such Fund within 120 days of the end of the fiscal year.

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

Kain Capital manages each of its Client’s portfolios on a discretionary basis. Discretionary authority allows Kain Capital to select the Clients’ securities to be purchased or sold, including the amount, time, and price at which securities are to be purchased and sold for each Client. Kain Capital is authorized to exercise discretion by the applicable Offering Documents and/or investment management agreements for each Client.

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

Kain Capital does not typically invest Client assets in public securities issuing proxies. 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.

When you hold public securities, 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**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. Kain Capital has no financial condition that impairs its ability to meet contractual and fiduciary commitments to its Clients, and has not been the subject of a bankruptcy proceeding.