

Form ADV Part 2A

Uniform Application for Investment Adviser Registration

SHEPHERD KAPLAN LLC™

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This brochure provides information about the qualifications and business practices of Shepherd Kaplan LLC. If you have any questions about the contents of this brochure, please contact us at 617-896-1600. 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 Shepherd Kaplan LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

Item 2: Material Changes

There were no material changes to this document since the last annual update of SK's brochure, which was dated March 31, 2023.

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Item 4: Advisory Business**Advisory Business & Ownership:**

Shepherd Kaplan LLC (Shepherd Kaplan, SK, or us/we) was founded in 1998 by David Shepherd and David Kaplan. In November 2017 SK combined its business with GRT Capital Partners, L.L.C. (GRT), a Boston-based asset manager, which was then renamed Shepherd Kaplan Krochuk, LLC (SKK). The transaction resulted in SK becoming a majority-owned and wholly-controlled subsidiary of SKK, with SKK as SK's sole manager. The Management Board of SKK is comprised of David Shepherd, David Kaplan, Timothy Krochuk, Stephen Brackett, and Brian Lockhart, who together indirectly own the company. For ease of reference these individuals may also be referred to as "Principals." The Principals are also members of SKK Group, LLC, which serves as the managing member of the general partner or manager, of a number of private investment funds affiliated with SKK. Stephen Brackett is President and Co-Head of Alternative Investments at SKK, and Tim Krochuk is also Co-Head of Alternative Investments. Timothy Krochuk was also a member and founder of GRT Capital Partners, LLC. Brian Lockhart is CEO and CIO of Peak Capital Management, LLC (PCM), an SEC-registered investment adviser based in Greenwood Village, Colorado which was acquired in February 2020 by SKK. Please refer to Item 10 for more information regarding SK's relationship with SKK and other affiliates. Effective March 2023, Bayard Dodge replaced David Kaplan as Chief Compliance Officer of SKK and SK.

While SKK is the overarching adviser of all the clients of the firm (excluding PCM), SK, the wealth management division of the firm, provides wealth and institutional advisory services to certain SKK clients in a sub-advisory capacity. David Shepherd and David Kaplan, who were the founders of SK, remain its Co-CEOs and Co-Chief Investment Officers, and as such are primarily responsible for managing the wealth management services provided by SKK. Where this document refers to "clients" of SK, that term should be understood to mean that they are advisory clients of SKK, and SK is sub-adviser with respect to their accounts. Where this document refers to "SK portfolios," that term should be understood to mean portfolios sub-advised by SK.

Readers who are primarily interested in the wealth management services provided by SK should read this brochure. Readers who are primarily interested in the asset management advisory services provided by SKK directly and the relationship of SKK with its wealth management clients, including fees charged to such clients and conflicts of interests (which are also discussed in Item 11 of this brochure), should also read SKK's separate Form ADV Part 2A brochure available at www.adviserinfo.sec.gov.

Although SKK is the Managing Member of PCM, PCM is currently operated as a separate advisory business from both SKK and SK, and this brochure does not address the services provided by PCM to its clients. Readers who are primarily interested in the investment advisory services provided by PCM directly should read PCM's separate Form ADV Part 2A brochure available at www.adviserinfo.sec.gov.

With an office in Boston (Headquarters), SK provides advisory services to institutional, private, and charitable foundation clients.

Institutional clients include public and private companies and institutions in the healthcare and educational fields. Private clients include ultra-high-net-worth individuals, families, trusts, and family offices. Endowment and Foundation clients include donor advised funds, and family, private and community foundations. In managing clients' assets, SK considers their specific investment objectives and tailors its advisory services accordingly. SK's general approach is to manage clients' assets in a non-discretionary manner; however, discretionary relationships are also possible if they are more suitable to the clients' needs.

Technology – A Core Competitive Differentiator:

A core component of the SK's business model is our advanced technology platform, developed by SK over more than a decade. This technology platform allows SK to generate technology-enhanced overviews of a client's asset allocation; structure extensive manager searches, manager evaluations and monitoring; and provide our clients with transparent aggregation of data and performance analytics.

This platform not only enables us to conduct sophisticated quantitative analysis on managers and investments, but it also incorporates "early warning analytics" which permit us to identify certain issues before they become problems.

Institutional Clients:

For most institutional clients, our advisory services begin with a complete review of their investment portfolio, fiduciary controls, and key vendor relationships, where requested. Next, a manager search is typically conducted in each recommended asset class. These searches look at the behavioral characteristics of each investment relative to its peer group, and corresponding indices. Finally, an Investment Policy Statement (IPS) is generally created, and a portfolio is constructed to meet the client's goals and objectives, risk/return, cost, and liquidity needs. SK portfolios can incorporate client-imposed requirements and restrictions such as the inclusion and/or exclusion of certain securities or types of securities.

With respect to institutional retirement plans, we expressly acknowledge our co-fiduciary status to such plans and assist clients in implementing investment management procedures that meet or exceed the standards set by the Employee Retirement Income Security Act (ERISA) and the Department of Labor. With respect to Individual Retirement Accounts, our ERISA practices vary on a case-by-case basis.

The principal components of our fiduciary process are the creation of an IPS and the generation and preservation of documentation demonstrating the prudent selection, monitoring, and replacement of investments. In addition, we assist clients in identifying and reviewing their specific custody and administration needs and aid in the selection of the most appropriate key vendors. We are committed to uncovering and recapturing costs associated with our sub-advisory clients' retirement plans for the benefit of the plans. Specific services include, where requested:

Investment Services:

- Assist in establishing investment policies, identifying appropriate levels of risk, return and liquidity objectives,
- Recommend target asset allocation strategies and investment manager structures to meet investment objectives,
- Conduct manager searches and recommend investments and investment managers across all asset classes and structures, which may include mutual funds, separate accounts, and alternative investments,
- Monitor investment managers and provide, at a minimum, quarterly detailed portfolio performance reporting,
- Recommend rebalancing strategies,
- Recommend appropriate performance standards to evaluate investment managers, and
- Create model portfolios for defined contribution plans.

Administrative Services:

- Review and supervise custody, trust, and administrative services, as needed,
- Comprehensively analyze portfolio expenses and implement appropriate cost controls, and
- Provide "request for proposal" (RFP) services for selection of custodians and administrators.

Fiduciary Risk Management Services:

- Expressly assume fiduciary status in providing investment advice,
- With respect to institutional retirement plans subject to ERISA, we assume discretion in one or two manners where agreed upon:
 - (i) serving as an investment manager, as defined in section 3(38) of ERISA, and/or
 - (ii) serving as the plan’s “named fiduciary” for plan-level investment matters
- Offer outsourced chief investment officer and outsourced chief investment committee fiduciary services,
- Provide educational services for client fiduciaries,
- Customize, implement, and manage SK’s proprietary Fiduciary Governance and Document Archiving System for clients. Capabilities include:
 - A central archiving repository for documents in support of fiduciary and investment activities with variable security access for authorized parties and query able data structure,
 - Integrated communication and approval capabilities,
 - Secure transmittal of all documents and reports, and
 - Integrated process management and notification capabilities.

Private Clients:

For private clients, we act as their Chief Investment Officer, providing the investment-related information and advice necessary to assist them in achieving their financial goals. SK employees have experience and expertise in financial planning, asset allocation, investment selection and monitoring, performance reporting, and coordinating with tax and estate planning professionals.

The portfolio planning process begins with an analysis of a client’s current financial condition and interviews to uncover their financial goals and requirements. Next, a comprehensive financial model is created to analyze the impact of future cash flows and market volatility. Finally, an IPS is created, and a portfolio is constructed with sensitivity to tax efficiency, cost, liquidity, and income and growth needs. SK sub-advised portfolios can incorporate client-imposed requirements and restrictions such as the inclusion and/or exclusion of certain securities or types of securities. We manage both discretionary and non-discretionary portfolios. Specific services include:

Investment Services:

- Assist in establishing investment policies, identifying appropriate levels of risk, return and liquidity objectives,
- Recommend target asset allocation strategies and investment manager structures to meet investment objectives,
- Conduct manager searches and recommend investments and investment managers across all asset classes and structures, which may include mutual funds, separate accounts, and alternative investments,
- Provide tax sensitive implementation and management of investment strategies,
- Monitor investment managers and provide, at a minimum, quarterly detailed portfolio performance reporting,
- Recommend rebalancing strategies,
- Recommend appropriate performance standards to evaluate investment managers,

- Recommend custodial and other service providers to optimize access to investments, quality of reporting and cost efficiency,
- SK provides sub-advisory services to clients realizing certain forms of potentially taxable income arising from their disposition of interests in Qualified Small Businesses, as that term is defined in 26 U.S.C. § 1202, *et seq.* While SK does not provide tax advice, it provides sub-advisory services concerning investment of the proceeds of a sale of interests in a Qualified Small Business, into one or more successive Qualified Small Businesses, with the objective of facilitating certain tax benefits pursuant to 26 U.S.C. § 1202, *et seq.*, and
- In appropriate cases, introduce opportunities for investments in private companies or other niche opportunities.

Wealth Management Services:

- Provide cash flow analysis and reporting,
- Coordinate investment strategies with tax and legal counsel,
- Recommend tactics to mitigate and manage financial risk,
- Customize, implement, and manage SK's proprietary Fiduciary Governance and Document Archiving System for clients. Capabilities include:
 - A central archiving repository for documents in support of fiduciary and investment activities with variable security access for authorized parties and query-able data structure,
 - Integrated communication and approval capabilities,
 - Secure transmittal of all documents and reports, and
 - Integrated process management and notification capabilities.

Family Office Services:

- Assist clients in the selection of tax advisors to perform tax reviews & filings,
- Coordinate tax planning and preparation,
- Coordinate investment strategies with tax and legal counsel,
- Provide cash flow analysis and reporting,
- Recommend tactics to mitigate and manage financial risk,
- Wealth protection, transfer analysis, and planning related to the management of all types of assets and income sources,
- Professional guidance regarding wealth transfer to succeeding generations,
- Philanthropic planning,
- Budget services, including wealth reviews, analysis of short- and medium-term liquidity requirements, and long-term objectives,
- Assist in the selection and management of estate planning counsel, and
- Family governance planning.

As part of SK's Family Office Services offering, SK may refer clients to certain preferred service providers. While such arrangements do not involve direct compensation to SK and referrals do not constitute investment advice, they may present a conflict if SKK in the future pursues direct relationships with such providers. SKK monitors these relationships to ensure that, should a conflict of interest arise, all relevant information is disclosed to its advisory clients.

Endowment & Foundation Clients:

To our Endowment & Foundation (E&F) clients, we offer expertise to meet their particular needs and goals. Our approach focuses on providing custom portfolios for both short and long-term client goals that incorporate client-imposed requirements and restrictions such as the inclusion and/or exclusion of certain securities or types of securities.

Our E&F sub-advisory services are provided with an emphasis on meeting the institution's distribution needs through varied market conditions. We provide attention to overall cost containment and management as well as specialized governance and fiduciary risk services, including education and presentations to the institution's staff and board.

We expressly acknowledge our co-fiduciary status and assist our clients in implementing investment management procedures intended to meet or exceed the distribution needs defined by each client.

The principal components of our fiduciary process are the creation of an IPS and the generation and preservation of documentation demonstrating the prudent selection, monitoring, and replacement of investments. In addition, we assist sub-advisory clients in identifying and reviewing their specific custody and administration needs and aid in the selection of the most appropriate vendors. For sub-advisory clients that do not have an existing spending policy in place, we craft, implement, and reinforce a spending policy that meets their needs. Specific services include:

Investment Services:

- Assist in establishing investment and spending policies, identifying appropriate levels of risk, return and liquidity objectives,
- Recommend target asset allocation strategies and investment manager structures to meet investment objectives,
- Conduct manager searches and recommend investments and investment managers across all asset classes and structures - structures include mutual funds, separate accounts, and alternative investments,
- Monitor investment managers and provide, at minimum, quarterly detailed portfolio performance reporting,
- Recommend rebalancing strategies,
- Recommend appropriate performance standards to evaluate investment managers,
- Assist in Cash Flow and Liquidity management.

Administrative Services:

- Review and supervise custody, trust, and administrative services, as needed,
- Comprehensively analyze portfolio expenses and implementation of cost controls, and
- Provide RFP services for selection of custodians and administrators.

Fiduciary Risk Management Services:

- Expressly assume fiduciary status in providing investment advice,
 - Provide services on a Discretionary or Non-Discretionary basis
- Offer outsourced Chief Investment Officer (OCIO) and outsourced Chief Investment Committee (OCIC) fiduciary services
- Provide educational services for client fiduciaries,
- Customize, implement, and manage SK's proprietary Fiduciary Governance and Document Archiving System for clients. Capabilities include:

- A central archiving repository for documents in support of fiduciary and investment activities with variable security access for authorized parties and query-able data structure,
- Integrated communication and approval capabilities,
- Secure transmittal of all documents and reports, and
- Integrated process management and notification capabilities.

We do not provide legal, tax or accounting advice or services; clients should not assume that we are providing such services at any time.

Wrap Fee Programs:

SK does not participate in “wrap fee” programs.

Assets Under Management (AUM):

As of December 31, 2023, Shepherd Kaplan’s assets under management were as follows:

Total AUM: \$ 8,617,780,105

Discretionary: \$ 756,118,095

Non-Discretionary: \$ 7,861,662,010

Item 5: Fees and Compensation

SK’s compensation is derived from a percentage of revenues collected for investment advisory services provided to SKK clients. As described in SKK’s Form ADV, clients receiving investment advisory and/or sub-advisory services related to direct Qualified Small Business investments discussed in Item 4, which are not made within the asset management structures established by SKK, will pay fees of approximately 175 Basis Points (1.75%) charged on assets committed to such an investment strategy. In some cases, this fee is charged in addition to asset management fees related to investments affiliated with SKK, in circumstances where the client is advised of the additional fee and agrees in advance to its application. With respect to advice concerning Qualified Small Business investments, SKK also reserves the right to charge fixed upfront fees to cover due diligence, research, or analytical work in some situations, such as when SKK is asked to perform extensive work reviewing potential investments for such a Qualified Small Business investment strategy. Notwithstanding any of the foregoing, SKK clients are never charged duplicative fees by SKK and SK for SK’s sub-advisory services.

Any SKK wealth management client who decides to invest in one or more of SKK’s private fund offerings or certain other investments in which SKK or its affiliates have a financial interest, and that have been brought to their attention by SKK will generally receive some discount or waiver of the wealth management fee and/or fund management fee on the same asset as long as they remain SKK clients. The potential for SK and/or SKK and their related parties to benefit from investments made in those funds, presents a potential conflict in selecting such investments to recommend to clients. SK and SKK believe that these conflicts are mitigated by their investment processes, fee adjustments and disclosures. SKK will provide disclosures regarding potential conflicts to any clients to which it recommends such opportunities to invest in its fund offerings and otherwise as necessary, in addition to the disclosures provided in this brochure.

Please refer to SKK’s Form ADV Part 2A for their customary fee structure, how they deal with potential conflicts of interest, and other information.

Non-SK Fees

Clients are subject to fees charged by others such as custodians, broker-dealers and/or investment managers.

Fees include custodial fees, brokerage commissions or other fees or charges associated with securities transactions, mark-ups or mark-downs in principal transactions, deferred sales charges, wire transfer or related processing fees or other charges mandated by law or regulation.

Mutual Fund expenses, including exchange traded funds, in which client assets are invested, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which the investor will be charged separately from the fee paid for advisory services.

Clients with investments in private funds (including those sponsored by SKK) are generally charged a management fee and other expenses by the private fund subject to the waiver discussed earlier in this section applicable to SKK clients receiving wealth management services provided by SK. The manager or investment manager also charges, if agreed, a performance fee which is based on a fund's net profits.

Where an investor interested in a private investment fund sponsored by SKK is introduced to the private investment fund by a broker-dealer, placement agent, or other outside service provider, the general partner or manager of such private investment fund may have the option, in some cases, to deduct a percentage of the amount invested by such investor in certain situations to pay sales fees or charges, on a fully disclosed basis, to such broker-dealer, placement agent or outside service provider based upon the capital contribution of such investor, where consistent with applicable law. Unless otherwise negotiated, such fees would (i) be assessed against the referred investor, (ii) not be a capital contribution of the investor, and (iii) reduce the amount actually invested by such investor in the private investment fund. Such assumption of expenses by investors benefits SKK by increasing assets under SKK management. See Item 14 below, Client Referrals and Other Compensation.

Please see Item 12 for additional information regarding brokerage arrangements.

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

SK may operate under an SKK agreement with its client that provides for performance-based fees. Please refer to SKK's Form ADV Part 2A for their performance-based fees and side-by-side management practices.

Item 7: Types of Clients

SK, as sub-adviser to SKK, provides investment advisory services to the following types of clients:

Institutional Clients

Institutional clients include publicly traded companies, major corporations, and healthcare and educational institutions. Client account structures include defined contribution plans, defined benefit plans, and other corporate funds.

SKK does not require a minimum account size for institutional clients.

Private Clients

Private clients include ultra-high-net-worth individuals, families, trusts, and family offices.

SKK generally requires a minimum total account size of \$20,000,000 for new private clients, although such minimum may be waived based on particular circumstances on a case-by-case basis. See Item 5 of SKK's Form ADV Part 2A.

Endowment & Foundation Clients

Endowment & Foundation clients include educational institutions, donor advised funds, and family, private and community foundations.

SKK does not require a minimum account size for E&O clients.

Item 8: Methods of Analysis, Investment Strategies and Products, and Risk of Loss

SK utilizes its proprietary research systems to aid in the creation of diversified portfolios. SK's systems incorporate data from several sources including Callan Associates, Morningstar, eVestment and others. Data acquired from these sources is generally considered reliable, but clients should be cautioned that inaccuracies could occur. SK augments its systematic performance data analysis of investments with qualitative research, which may include interviews with managers, review of investment documentation, and other background investigation.

To the extent SK's sub-advisory business incorporates or depends on various applications and systems to perform business functions, such as information technology hardware, computer software, the Internet, and related technologies, clients are subject to certain operational and information security risks related to them. Material risks include disruption of SK's normal business activities due to hardware failure, infrastructure disruption, third party attacks on SK's technological resources or the resources of third parties utilized by SK in its regular business, unauthorized access to client non-public information, or unauthorized requests for financial transactions. These types of cyber related events may interfere with the processing of client transactions, cause the misappropriation of confidential client information, impair the services of third parties to SK, impact daily operations, compromise sensitive information held on computer resources owned or controlled by SK and/or owned or controlled by third parties providing services to SK or on its behalf, or cause reputational damage to SK.

Client portfolio assets are allocated among various asset classes to meet their distinct investment objectives, risk tolerances, and liquidity needs, and then rebalanced to manage risk. Additionally, tactical shifts in asset class allocations are used to adjust for changing capital market scenarios.

SK generally recommends or selects investment managers for client portfolios. Recommended investment structures may include mutual funds, Exchange Traded Funds (ETFs), separately managed accounts, or various alternative investments, such as hedge funds, private equity funds or real estate funds. Each investment vehicle employs a particular investment strategy, which, together with its risks, is described in the investment's prospectus, ADV, offering materials, and/or other disclosures.

Investments in mutual funds or ETFs are subject to the risks stemming from the issuers of the fund's underlying securities. Additionally, shareholders are liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required to distribute them when profits cannot be offset by a corresponding loss. As such, clients may incur tax liabilities even when a fund underperforms.

Alternative investments, such as hedge funds and private credit or equity funds are generally illiquid and subject to various restrictions on redemptions and transfers. Underlying holdings of such funds may also be illiquid, and values reported may not be readily realizable as a result. Clients are advised to carefully review documentation of any such funds for these and other risks and provisions which may limit the accessibility or value of the investment.

With respect to sub-advisory services regarding investment in Qualified Small Business assets, SK will apply methods of analysis generally similar to its analytical methods applied to private equity investment strategies, along with its wealth management analyses of client liquidity needs, risk tolerance, investment horizon, and similar considerations. Investment in Qualified Small Businesses incorporates certain risks, including without limitation: Equity Risk, Small/Mid (or Micro) Capitalization Company Risk, Non-Diversification Risk, Concentration Risk, and Private Equity Risk.¹

¹ Equity Risk – Since the strategies involve the purchase of equity securities, the strategies are subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments or by world events. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in securities.

SK does not currently envision significant advice on investments in tangible commodities, options on tangible commodities or, futures on tangible commodities. SK may, on a limited basis, recommend or engage third party investment managers that employ strategies that make use of one or more of the foregoing investments, and/or transactions in financial futures or securitized products which tend to move like commodities. To the extent that any recommendations of or referrals to third-party managers employing these strategies constitutes commodity trading advice, SKK maintains appropriate records and affirmations of exemptions from Commodity Trading Advisor status with the National Futures Association.

SK's introduction or recommendation of opportunities to invest in affiliated funds and/or in private businesses raises potential conflicts of interest, which are further discussed in Item 11 below.

There are risks that may impact the likelihood of meeting a client's expected long-term goals. These risks include, but are not limited to, a change in a client's needs and objectives, the use of incorrect assumptions in the planning process, implementing an ineffective strategy, and general market risks, including underperformance of individual investments, specific market sectors, or the market as a whole.

Clients are cautioned that all investments involve risk, past performance is no assurance of future performance, and achievement of a client's investment performance goals and preservation of principal are

Micro- Small- and Mid-Capitalization Company Risk – The micro- small- and mid-capitalization companies in which accounts may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these micro- small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets, and financial resources, and may depend upon a relatively small management group. Therefore, stocks of these companies may be more volatile than stocks of larger companies. These securities may be traded over the counter or listed on an exchange.

Non-Diversification – Some strategies involve investments primarily in one industry or sector, or other grouping, such as issuers that focus on health care, energy, or real estate. Accordingly, an account which follows such a strategy will not be diversified among a wide range of industries, geographic areas and / or types of securities. Further, the account's portfolio may not be diversified among a wide range of issuers. Some strategies, especially venture capital, private equity, and real estate strategies, may invest in a single issuer. Companies in a single industry or closely related industries often are faced with the same obstacles, issues and regulatory burdens, and their securities may react similarly and move in unison. Thus, stock prices of portfolio companies can change collectively without regard to the merits of individual companies. The investment portfolio of such accounts may be subject to more rapid change in value than would be the case if the account maintained a wide diversification among industries, areas, types of securities and issuers.

Concentration Risk – As noted, a strategy can be fully concentrated in a single issuer and not be diversified among a wide range of issuers. Because the portfolio will not be diversified among a wide range of issuers, the investment portfolio will be subject to significant concentration risks and more rapid change in value than would be the case if the portfolio were required to maintain a broader diversification among issuers. Exposure to a single issuer could result in it suffering losses disproportionate to those incurred by the market in general. By not being invested in any additional issuers, an investor may be substantially adversely affected when that one interest underperforms. It can also reduce the opportunities for liquidity compared to a more diversified strategy.

Private Equity Risk – Some strategies used by SKK involve concentrated investments in illiquid securities of individual, privately held companies or special purpose vehicles. Such investments generally do not have a public market at the time of purchase and may never develop a public market. They often are not registered under applicable securities law and the transfer of such interests is likely to be subject to restrictions on resales imposed by applicable securities law. These strategies may take a significant number of years before any returns are available to an investor, and investors may face a total loss of their investment.

not guaranteed. SK endeavors to mitigate these risks by closely monitoring the current performance of asset classes and investments in client portfolios, as well as assessing changes in the global economy and financial markets.

Item 9: Disciplinary Information

In February 2020 SKK became the sole owner of all voting securities of Peak Capital Management, LLC (“PCM”) and PCM’s principal, Brian Lockhart (“Lockhart”), became a member of SKK’s Management Board. Prior to this transaction, Lockhart entered into a Stipulation for Consent Order with the Colorado Division of Securities (“Stipulation”). In the Stipulation, the Staff of the Division (the “Staff”) alleged that in 2012 and 2013 Lockhart recommended an investment in a movie production company to some advisory clients and others regarding which he, as an Executive Producer, had a material conflict of interest that he maintains he disclosed orally to all of the clients. Multiple clients acknowledged such oral disclosure. The Staff determined that this recommendation was inconsistent with Lockhart’s obligations under Division Rule 51-4.8(IA)(K), which requires such disclosures to be made in writing. Under the Consent Order, Lockhart agreed not to violate Rule 51-4.8(IA)(K). No fine or other penalty was assessed. In September 2021 the Certified Financial Planner organization suspended Lockhart’s authorization to use the CFP® credential for a period of one year and one day in connection with the events addressed in the Stipulation.

Item 10: Other Financial Industry Activities and Affiliations

SK has relationships with related persons engaged in certain financial businesses that are material to the advisory business and clients of SKK, and therefore to SK, as set forth below. Related persons include entities, members, officers, and employees (except administrative staff) controlled by or under common control with SKK. These related persons are primarily the investment advisory subsidiaries of SKK (SK and PCM), and entities related to the funds that SKK manages and advises.

Where SKK or one of its investment advisory subsidiaries recommends investments to its or their clients in related businesses, or if SKK and its related persons invest alongside clients or investors in businesses or private investment funds, including private investment funds that they manage, or participate in the management or governance of, or receive compensation, including securities, for services from, such businesses or private investment funds, conflicts of interest arise because SKK and its related persons may have interests different from those of its and its investment advisory subsidiaries’ clients and investors. These potential conflicts of interest with clients and investors are described further below in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

| Entity | Function | Entity – Private Investment Company |
|--|-------------------------------|-------------------------------------|
| Shepherd Kaplan Krochuk, LLC | Primary Investment Adviser | |
| Shepherd Kaplan, LLC | Sub-Investment Adviser | |
| PCF Capital Markets, LLC | Broker Dealer | PCF Capital Markets, LLC |
| SKK Syntax, LLC | Advisory Affiliate | |
| Altair Wealth Systems Holdings, LLC (and subsidiaries) | Affiliate technology vendor | |
| Trellis Software, Inc. | Affiliate technology platform | |

| | | |
|---|--|--|
| | joint venturer | |
| SKK Group, LLC | Manager of each GP or Manager listed in the column to the left | |
| SKK Provident Investors GP, LLC | General Partner of | SKK Provident Investors, LP |
| SKK Real Estate GP II, LLC | General Partner of | SKK RE Ventures Fund II, LP SKK RE Ventures Fund PFD II, LP |
| SKK Ventures Manager, LLC | Manager of | SKK Ventures, LLC |
| SKK Ventures QP Manager, LLC | Manager of | SKK Ventures QP, LLC |
| Peak Capital Management, LLC | Investment Adviser | |
| SKK 9i Ventures Manager, LLC | Manager of | SKK 9i Ventures, LLC |
| SKK 9i Ventures QP Manager, LLC | Manager of | SKK 9i Ventures QP, LLC |
| SKK Opportunity Zone Fund I Manager, LLC | Manager of | SKK Opportunity Zone Fund I, LLC |
| Kairos SKK EnviroKure GP, LLC | General Partner of | Kairos SKK EnviroKure Investors, LP |
| SKK Industrial GP, LLC | General Partner of | SKK-FHR Industrial Fund I, L.P. |
| SKK-FHR GP, LLC | General Partner of | SKK-FHR Industrial Fund I, L.P. |
| SKK-Global Partners Property Fund I GP, LLC | General Partner of | SKK-Global Partners Property Fund I, LP |
| SKK Opportunity Zone Fund II GP, LLC | General Partner of | SKK Opportunity Zone Fund II, LP SKK Cayo Largo Development, LP |

Additional Related Party Information:

MRLM Group, LLC and MRLM Holdings, LLC (“MRLM Entities”) are indirect affiliates of SKK created to facilitate lending transactions among affiliates of SKK and certain lender/investors some of whom are not principals or employees of SKK. SKK’s indirect relationship to the MRLM Entities presents conflicts of interest due to their benefits to SKK and its affiliates and financing from external parties that have other relationships to SKK. These conflicts are described in more detail below and in Item 11 of this brochure.

Stephen Brackett is a board member of Global Partners Property Fund I (CEIC) Limited, an investment fund domiciled in Dubai which is the principal investment of a real estate strategy managed by SKK (“Global Partners Fund”). Mr. Brackett has a conflict of interest serving on the board of that fund, while also participating in the management of the SKK strategy, in that obligations he has as a board member

may at times be inconsistent with his obligations to SKK and its clients. SKK believes those conflicts are mitigated by the policies and procedures of SKK, and by the fact that his role on the fund board is largely to coordinate and oversee that fund in relation to SKK's strategy and clients. A senior member of Global Partners Fund's manager has provided a loan to the MRLM Entities, which are described in more detail above and in Item 11 of this brochure. Conflicts of interest can arise in that this relationship may influence SKK Parties in deciding whether to recommend an investment by SKK's clients in real estate funds that invest in the Global Partners Fund. SKK believes that its investment process, certain fee adjustments and disclosures in this brochure and to affected clients and investors adequately address such conflicts See Item 11 below regarding conflicts of interest.

Timothy Krochuk and John Reading Wilson, an affiliate of SKK Group, are on the board of FBHC Holding Company, a bank holding company ("FBHC"). An affiliate of FBHC has previously provided banking services to SKK and its affiliates, including investment vehicles managed by SKK. In circumstances where that bank does business with SKK or its affiliates and clients, Mr. Krochuk and Mr. Wilson could have conflicts between their obligations as board members and their obligations to SKK and its clients. SKK believes conflicts are mitigated by the policies and procedures of both SKK and FBHC. Mr. Krochuk and Mr. Wilson are compensated for their service on the Board, but their compensation is not in any way based or conditioned on any relationship between the bank and SKK or its clients.

PCF Capital Markets, LLC ("PCF Capital") is a registered broker dealer and is owned primarily by Provident Healthcare Partners, LLC ("Provident Healthcare"), a minority equity interest which is held by SKK Provident Investors, LP, a private investment fund managed by SKK. Stephen Brackett, President and Co-Head of Alternative Investments of SKK, represents the fund on the Board of Directors of Provident Healthcare. SKK's indirect relationship with PCF Capital creates potential conflicts of interest where, among other things, clients of PCF Capital may invest in SKK private investment funds, for which PCF Capital is compensated. PCF Capital's parent company, Provident Healthcare, which primarily provides M&A consulting services to private healthcare companies, also receives compensation if it refers wealth management clients to SKK. Provident Healthcare provides M&A consulting services to certain portfolio companies of SKK-affiliated funds, for which it is entitled to receive compensation in the event that the portfolio companies experience a liquidity event. The principal owner of Provident Healthcare has invested in certain SKK-affiliated funds and provided financing to SKK in connection with such investments. SKK believes that its investment process and disclosures in this brochure and to affected clients and investors adequately address such conflicts. See Item 11 below regarding conflicts of interest.

Peak Capital Management, LLC ("PCM"), an investment adviser registered with the SEC, develops investment strategies designed to manage risk utilizing an absolute return philosophy. PCM is wholly owned by SKK. Brian Lockhart is the Chief Executive Officer and Chief Investment Officer of PCM, a member of the SKK Management Board, and has an indirect ownership interest in SKK and direct interest in SKK Group, LLC. (See Form ADV for PCM at www.adviserinfo.sec.gov.) SKK's relationship to PCM creates potential conflicts of interest where, among other things, clients of PCM invest in SKK private investment funds; see Item 11 below regarding conflicts of interest.

Kairos SKK EnviroKure GP, LLC ("EnviroKure GP") is the General Partner of Kairos SKK EnviroKure Investors, LP ("EnviroKure Investors"), a private investment company that invests in the equity of EnviroKure, Inc., a company that has developed and commercialized a process for turning chicken manure into biofertilizers. EnviroKure Investors has investment advisory agreements with SKK and with Kairos Investment Management Company, LLC ("KIMC"). EnviroKure GP is governed by a board of managers equally controlled by SKK and KIMC. SKK recommends to appropriate clients investments in various KIMC-affiliated real estate funds. Senior officers of KIMC have invested in certain SKK-affiliated funds and a portfolio company of an SKK fund. In addition, a senior member of KIMC has provided a loan to the MRLM Entities, which are described in more detail above and in Item 11 of this brochure. Conflicts of interests can arise in that this relationship may influence SKK Parties in deciding whether to recommend an investment by SKK's clients in real estate funds affiliated with KIMC and EnviroKure Investors. SKK

believes that its investment process, certain fee adjustments and disclosures in this brochure and to affected clients and investors adequately address such conflicts See Item 11 below regarding conflicts of interest.

SKK-FHR, LLC is a joint venture between SKK and its affiliates and FHR Capital, LLC for the purpose of managing an industrial real estate investment strategy. Principals of FHR Capital, LLC have previously invested in other investment products sponsored by SKK. The preexisting relationship between SKK and FHR Capital, LLC presents a conflict of interest in that it may in some cases influence SKK to either treat those principals more favorably with respect to their investments in other products with respect to their arrangements with SKK-FHR, LLC and related strategies. SKK believes the ongoing relationship and familiarity between the groups are generally beneficial to each of them and to SKK's clients, and that any conflicts of interests are mitigated by SKK's investment process, policies and procedures.

Trellis Software, Inc. ("Trellis") is a technology company that provides services to persons and enterprises that make investments in private securities and/or provide other services of a financial nature. SKK and Timothy Krochuk are minority owners in Trellis. Timothy Krochuk is also the CEO of Trellis and Steve Brackett and David Kaplan are on Trellis' board of directors. Timothy Krochuk, Steve Brackett and David Kaplan are also indirect owners and on the Management Board of SKK. Krochuk, Brackett and Kaplan receive cash and noncash compensation in exchange for their service to Trellis. SKK expects that Trellis will provide technology services to SKK related to investments by SKK wealth management clients and/or third parties in private securities, (i) which SKK may recommend for investment, (ii) as to which SKK may provide consulting or other services to the issuer, and/or (iii) as to which SKK may establish, manage, or advise private investment funds to facilitate investment in the securities of the issuer.

Altair Wealth Systems Holdings, LLC ("Altair") is a financial technology company that provides SaaS solutions, based in part on a product developed by SKK, and expert services to support financial institutions. The owners of SKK also hold substantial interests in Altair and certain officers of SKK are also officers of Altair, including David Shepherd and Pete DiLorenzo. In addition, certain employees of SKK have provided, or may provide in the future, services to Altair. Altair provides services to SKK and SKK pays fees directly to Altair for these services, however SKK clients are not charged by Altair or SKK for SKK's use of Altair software to support their accounts other than the advisory fees paid by clients to SKK.

SKK-FHR, LLC is a joint venture between SKK and its affiliates, on one hand, and FHR Capital, LLC for the purpose of managing an industrial real estate investment strategy. Principals of FHR Capital, LLC have previously invested in other investment products sponsored by SKK. The preexisting relationship between SKK and FHR Capital, LLC presents a conflict of interest in that it may in some cases influence SKK to either treat those principals more favorably with respect to their investments in other products with respect to their arrangements with SKK-FHR, LLC and related strategies.

SKK believes the ongoing relationship and familiarity between SKK and the above-listed related parties are generally beneficial to each of them and to SKK's clients, and that any conflicts of interests are mitigated by SKK's investment process, policies and procedures.

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

I. Code of Ethics

Regulations require investment advisers to adopt a code of ethics. The firm's Code of Ethics (Code) establishes rules of conduct for all supervised persons of SK. Generally speaking, the term "supervised persons" includes members, managers, employees of SK and consultants, if any, who provide advice on behalf of SK and are subject to SK's supervision and control; the term "access persons" includes those supervised persons with access to non-public information about securities recommendations by SK for

clients, or purchases and sales of securities by SKK clients.

SK and its supervised persons must comply with the rules of the Firm's Code of Ethics, their fiduciary duties to clients, and applicable federal securities laws. SK's fiduciary duty to its clients require that SK and its supervised persons act with good faith and in the best interests of clients. Provisions of the Code include transaction reporting requirements, the requirement for access persons to obtain approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering or in a limited offering, and the obligation to report Code violations promptly.

SK's supervised persons invest in securities on behalf of themselves and/or their family members. In some cases, supervised persons invest in the same securities recommended to, or owned by, SK's advisory clients. These investments create potential conflicts of interest, as discussed earlier. SK monitors access persons' trading activities to mitigate potential conflicts arising from the access persons' personal trading activities.

To implement the Code and mitigate against potential conflicts, SK's actions can include, among other things, restrictions on personal trading of certain securities, requiring divestiture of a personal investment or other steps to mitigate against personal benefit, or additional disclosures to relevant clients.

SK will provide a copy of the Code to any client or prospective client upon request.

No supervised person may trade in a security, either personally or on behalf of others, while in the possession of material, nonpublic information about such security, nor may any personnel of SK communicate material, nonpublic information to others in violation of the law. SK has adopted policies and procedures to address known situations in which the risk of transmission of material non-public information is heightened.

II. Conflicts of Interest

SK and SKK and their related parties may invest in hedge funds, private equity funds and other investments that are also recommended to advisory clients, and advisory client investments in such funds also benefit SKK and SK and their related parties. SK's policies and procedures seek to address conflicts or potential conflicts of interest that may arise in such situations as described below.

Allocating resources and investment opportunities

Various conflicts of interest arise because of the close relationship of SKK, SKK Group, LLC, and the Principals, who are indirect owners of SKK, members of the SKK Management Board, and also members of SKK Group, LLC, which has an interest in incentive fees received from various private investment funds managed and/or served by SKK. As a result, SKK Group, LLC and SKK (and the Principals) have conflicts of interest in allocating their time and activity between various accounts, in allocating investments among accounts, and in effecting transactions between accounts, including ones in which SKK Group, LLC and SKK (and the Principals) have a financial interest. Where accounts have similar investment strategies, SKK could favor one account over another because one account compensates SKK, or individuals affiliated with SKK, more than the other account. SKK has adopted opportunity allocation procedures, among other policies and procedures, which are designed to help address such conflicts. See Item 11 (I), Code of Ethics, and Item 6, Performance-Based Fees and Side-By-Side Management, above.

Investments by Clients in Private Funds and Companies in which SKK has an Interest

SKK may provide information to its non-discretionary wealth management advisory clients about investment opportunities in funds advised by SKK and private companies in which SKK has a financial interest. SKK has significant conflicts of interest in providing such information because in many cases SKK or its affiliates will benefit financially or in other ways from an investment in such an opportunity. In such cases, SKK discloses its interests and the conflicts created by them to the client so that the client can

make an informed decision in their evaluation of the information presented and determination of whether to make an investment.

Conflicts Relating to SKK Private Funds and SKK Party Investments Alongside Clients and Investors

SKK, SK, PCM and the Principals, and their members, management board members, officers, employees, and affiliates (collectively called “SKK Parties”) invest in private companies and funds alongside clients, participate in management and governance, and receive compensation, including securities, for services from such companies and funds. Conflicts of interest arise in such situations, including for instance:

- A client’s investment in a private fund or company introduced or recommended by SK increases the value of an investment held by an SKK Party;
- A client’s investment in a private fund or company in which an SKK Party has also invested provides liquidity to, or otherwise benefits, the private fund or company concerned;
- An SKK Party who has invested alongside a client has access to more information about the investment than the client and sells its position or buys more securities on the basis of that information;
- An SKK Party, or other SKK client, holds a different position in the company’s or fund’s capital structure than a client which creates different incentives to vote or take other actions affecting the client’s investment;
- An SKK Party’s investment involves certain voting rights or confers other powers to influence or participate in the governance of the investee company or fund which may differ from those of a client investor. Those rights and powers can result from serving as a director or officer of an investee company or fund, in which case the member or employee would be obligated to serve the interests of the company or fund, in addition to the interests of any advisory client who has invested in that company or fund; or
- An SKK Party is compensated for serving on the board or as an officer of a company or fund in which SK advisory clients have invested or serves in a consulting or advisory capacity. The receipt of such compensation, or the manner in which compensation arrangements are structured, may create incentives for such an SKK Party to act in a manner that does not prioritize the interests of advisory clients that are invested in the company or fund. For example, SKK serves as a co-developer of a real estate project in which an SKK affiliated fund invests and has provided consulting services and received compensation from a company in which SKK clients have invested and which subsequently became a portfolio company of an SKK fund.

Outside Business Interests

To the extent that any SKK Party, including SKK itself, is involved in other businesses, occupations or relationships, potential conflicts of interest can arise with respect to the management of assets for investment advisory clients and investors in SKK-sponsored funds. For example, if an SKK Principal or employee is a director, officer or equivalent, or is otherwise a party to material non-public information of a publicly traded company, or of a privately held operating company recommended to, and held in the portfolio of, a client, the Principal or employee may be exposed to non-public, material information about the outside company or other companies which negatively affects the Principal or employee’s trading flexibility in managing client assets. Also, the Principal or employee is likely to receive compensation, including securities, from such company, which creates a bias in favor of the company. Conflicts of interest could arise because the Principal or employee could cause accounts managed by the employee to invest in

a manner that favors his business interests, the interests of a company to which he owes a competing fiduciary duty, or the interests of a company in which he has received stock options or other compensation contingent on the success of the company. Accounts managed by the Principal or employee might acquire interests in businesses that are significant existing or potential customers or suppliers to an outside business of the Principal or employee. The accounts managed by the Principal or employee might seek to acquire assets that the other business also seeks to acquire.

Valuation of Affiliated Private Investments

SKK and/or its affiliates offer certain private funds for which they may serve as manager, advisor, and/or sponsor. Some of these affiliated private funds hold positions in underlying assets for which SKK and/or its affiliates are involved in providing management, development, consulting, or other services, or where SKK Parties serve on the board of directors or in a similar capacity. These circumstances create a conflict of interest in that where SKK charges management or performance fees to investors in such funds, or where SKK charges wealth management fees to such investors, higher valuations of such funds would result in higher fees paid to SKK. Where SKK does not charge such fees, a conflict of interest nonetheless exists to the extent that increases in valuation may portray successful investment. SKK generally engages outside valuation consultants to assist it and the auditors of such private funds with determining the valuation of assets, which SKK believes helps mitigate this conflict of interest.

Other Conflicts

SKK and its affiliates, particularly general partner and manager entities for affiliated private funds, and the personnel of each (“SKK Parties”), customarily seek exculpation and indemnification for services provided to clients and investors, including wealth management clients and private fund investors. Typically, SKK Parties are exculpated and indemnified for liability arising from their investment advisory services except to the extent of their gross negligence, recklessness, fraud, intentional wrongdoing, and/or incurrence of liability under federal or state law which is not subject to waiver or limitation. Investment management agreements with SKK-managed funds, or the limited partnership agreement or operating agreement of such funds, in some cases have different provisions related to exculpation and indemnification. Where applicable, these rights to exculpation and indemnification would require a plaintiff to satisfy a higher standard of proof to obtain a judgment in civil litigation against SKK Parties than that plaintiff would need to satisfy if these rights did not apply. These rights to exculpation and indemnification create conflicts of interest to the extent they remove risks of civil liability that could motivate greater care or caution in providing investment advisory services. SKK Parties will not pursue exculpation or indemnification to the extent prohibited by law, including without limitation to waive by contract any obligations under the Investment Advisors Act of 1940. Notwithstanding the existence or application of any right to exculpation or indemnification, the relationship between SKK and its clients remains fiduciary in nature.

Certain agents of SKK, typically members of its Management Board, serve as directors or in similar capacities for portfolio companies in which SKK’s private equity-oriented private funds invest. While the particulars vary depending on the portfolio company, this service is generally compensated by noncash compensation, including stock, options, and/or warrants, and sometimes involves cash compensation in form of expense reimbursements and/or stipends. In their capacity as directors or in other relationships to portfolio companies, such SKK personnel may also receive personal indemnification or exculpation rights with respect to such companies, in addition to the provisions discussed above related to SKK.

Many conflicts of interest arise between and among the various entities and persons involved in the investment advisory services provided by SKK Parties, including clients, investors in the SKK Funds, companies that issue securities acquired or sold by clients or the SKK Funds, or their respective employees, executives or affiliates, brokers who trade securities on behalf of clients or the SKK Funds, third parties such as custodians and administrators who provide services to the SKK Parties or the SKK Funds, third

party issuers, investment managers, fund sponsors, and other persons or entities in the financial industry. Without limitation for example:

- SKK Parties, client and SKK Funds have invested in an unrelated company, mutual fund or private investment fund and an employee or principal of such unrelated company, mutual fund or private investment fund is a client of SKK or investor in an SKK Fund, or a co-invest alongside an SKK Fund or client. These relationships may influence SKK Parties in deciding whether to recommend an investment in the unrelated company, mutual fund, or private investment fund and whether and when to dispose of such investment.
- SKK acts as investment adviser to a registered closed-end investment company, which it may recommend to certain of its other clients.
- SKK clients and other investors have invested in an SKK-affiliated fund that invests in a company that provides financial consulting and investment banking services to other SKK-affiliated fund portfolio companies and whose affiliates provide financing to and invest in other SKK Parties. An affiliate of the same company has also been engaged by SKK to identify potential clients for SKK and investors for SKK funds for a fee to be paid by SKK. These relationships may influence SKK Parties in deciding whether to recommend portfolio companies to retain or terminate their relationship with that service provider.
- SKK clients have, provided financing or other forms of direct investment to portfolio companies of SKK-affiliated funds, and other affiliates of SKK. In some cases, SKK has provided advice or other assistance in identifying such an investment as part of its overall investment advisory or consulting services to the client and has received a fee for those services. The provision of financing by these clients may influence SKK Parties to favor one or more such clients over other clients, such as when allocating investment opportunities among clients, or to recommend investments by other clients in those companies to preserve the value of earlier investments.
- SKK has recommended and is expected to recommend in the future that clients invest in SKK-affiliated and unaffiliated private funds that (i) have or whose affiliates have directly or indirectly extended credit to or invested in SKK and its affiliates or a company in which SKK Parties have invested and (ii) through an affiliate of the recommended fund, invested in SKK Funds or joint ventured with SKK in other projects. Lenders to the MRLM entities (described below) include persons affiliated with such recommended private funds. These relationships may influence SKK Parties in deciding whether to recommend these private funds as an investment by SKK's clients.
- SKK clients have invested, and SKK is expected to recommend future investments, in certain ETFs in which SKK has an indirect economic interest and other business dealings with affiliates of the ETFs, including the past provision of loans by such affiliates to SKK and its affiliates (including a loan, since repaid, to the MRLM Entities in connection with an arbitration settlement discussed below), and, in connection with the MRLM loan, the current ownership of an equity-like interest in an affiliate of SKK.. Lenders to an affiliate of SKK in connection with an arbitration settlement described below include a person controlling such ETFs. These loans and business dealings may influence SKK Parties in deciding whether to recommend an investment by SKK's clients in one or more of the ETFs.
- SKK has guaranteed financing extended to a real estate project in which an SKK Fund has invested substantially all of its assets. SKK wealth management clients have invested in the SKK Fund. The lender for this financing (the "Lender") is an unaffiliated third-party investment manager, which operates certain investment funds that SKK recommends to its wealth management and other

advisory clients. SKK has also guaranteed performance of certain obligations of the primary holding of the SKK Fund with respect to a commercial lease agreement related to the real estate development project associated with the SKK Fund. The existence of this financing, which, as of the date of this Brochure is being renegotiated following its maturation, and of the guaranties by SKK, as well as the various additional business relationships among Lender, SKK and its affiliates, all of which are disclosed to clients at the time of investment, constitute conflicts of interest with respect to SKK's recommendation of investments offered by the Lender to its clients, and/or investments in the SKK Fund, to the extent that such investments would benefit the underlying real estate development project, increase the likelihood of a successful extension of the financing, and reduce the likelihood of their guaranties being invoked.

- An SKK Fund has made an investment in a third-party commercial service provider (the "Service Provider"). The Service Provider, in turn, has certain commercial agreements with other portfolio companies of certain SKK Funds. The commercial agreements between the Service Provider and the portfolio companies provide that the Service Provider will provide capital raising services to them and be entitled to compensation as a percentage of the amount of funds raised, except where funds are raised from SKK affiliates or advisory clients, in which event the Service Provider's right to compensation is waived. SKK has reviewed the terms of the commercial agreements and found them to be consistent with market terms available for similar services provided on an arm's length basis. These commercial agreements nonetheless constitute a conflict of interest to the extent that they benefit portfolio companies in which SKK and its affiliates have a financial interest, and incentivize SKK or affiliates to exercise influence over the portfolio companies to continue to do business, or expand their business, with the Service Provider. The Service Provider is also party to a Promoter Agreement with SKK, whereby it would be eligible to receive a share of revenues obtained from any wealth management clients it refers to SKK. An affiliate of the Service Provider is also party to a brokerage agreement under which it may introduce interested investors to SKK Funds. This circumstance constitutes an additional conflict of interest to the extent that it incentivizes SKK to reciprocally refer business to the Service Provider.
- An officer of SKK ("the Officer") formed a private fund that invested, prior to the investment by an SKK Fund, in a company that subsequently became a portfolio company of an SKK Fund. The Officer is thus positioned to receive information or exercise rights with respect to the portfolio company separately from his role with SKK. SKK has relied on the Officer for some of its due diligence concerning the portfolio company. These circumstances constitute a conflict of interest to the extent that SKK and/or the Officer are incentivized to exercise their influence as investors with the portfolio company to benefit one another instead of the portfolio company.
- An SKK client and SK sub-advisory client ("the Client") serves on the Board of Directors for a portfolio company (the "Company") of an SKK Fund, and in this capacity the Client is eligible to receive cash and noncash compensation from the Company in exchange for this service. He is also in a position to receive information about the Company that differs from information available to other investors in the Company, including private funds affiliated with SKK and those funds' underlying investors. The Client's relationship with SKK poses conflicts of interest with respect to his service as a director for the Company, to the extent that he, or SKK's other personnel serving as directors, are incentivized to exercise their influence as directors to benefit each other and the Company instead of the Company given their relationships with one another.
- An SKK client and SK sub-advisory client has provided a loan (as have certain persons associated with investments recommended by SKK as described above) in connection with an arbitration settlement described below to the MRLM Entities, repayment of which is linked to receipt by the Principals of carried interest in certain SKK Funds and proceeds from the sale of certain other

investments held by SKK Group, LLC (the “Collateral”). The MRLM Entities currently anticipate the need to restructure the loan prior to its maturation in the third quarter of 2024. Two Principals responsible for the wealth management division of SKK and who function as Co-CEOs and Co-Chief Investment Officers of SK, have guaranteed repayment of the loans. Following repayment of the loans, the lenders retain certain equity-like rights to certain proceeds from the Collateral. These loans and their anticipated restructuring may influence SKK Parties to favor the client lender, such as with respect to the allocation of investment opportunities among investment advisory clients. The loan obligations and restructuring considerations may also influence SKK to (i) recommend that clients make investments in the affected portfolio companies or to recommend investments in SKK Funds or portfolio companies that are not so affected; or, (ii) as directors of affected portfolio companies, or in voting Fund-held shares of such companies, or in determining whether to retain or dispose of Fund investments, change the timing of payments that would be used to repay the loans. Additional clients or affiliates of funds recommended by SKK or of entities with which SKK does business could become lenders to or investors in SKK and its affiliates under the loan facility or otherwise in the future. If SKK engages in such a transaction or another principal transaction with a client, SKK will make appropriate disclosures to the client and comply with all other applicable regulatory requirements.

- SKK, through its affiliate SKK Funds pursuing the Real Estate Strategy, has developed relationships with certain real estate developers in connection with real estate projects in which the SKK Funds invest. These developers may derive fees and/or incentive allocations from the SKK Fund investments. Certain developers have additional business relationships with SKK and its clients, including potential participation in other projects in which SKK Funds invest and providing assistance to certain wealth management clients of SKK or its affiliates who have negotiated, and continue to negotiate, certain transactions with the developers, including lending transactions. SKK and the developers are likely to do additional business in the future. Investments in the SKK Funds with these developer relationships will benefit the developers by providing funding for their real estate development, as well as additional fees and incentive allocations payable to the developers. SKK has a conflict in presenting investors with an investment that would benefit a developer with which it has other relationships.
- A Principal of SKK serves as a non-compensated advisor of a commercial service provider that has been engaged by SKK to provide professional services, including valuation services, to the SKK Funds and its affiliates. The Principal’s status with respect to the service provider presents conflicts of interest by potentially influencing SKK to utilize the services of the service provider and in structuring compensation arrangements for such services, which are generally borne by the SKK Funds.
- SKK has recommended and expects to recommend in the future that its clients invest in publicly-listed securities of an issuer a control person of which has direct outside business relationships with SKK Parties. While these securities are in all cases determined to be appropriate for such clients’ individual portfolios, a conflict of interest nonetheless exists when recommending transactions due to these relationships, since SKK Parties may seek to engage in other outside business with the issuer’s control person. These conflicts are disclosed to clients at the time of any recommendations. Also, due to the public nature of the issuer’s securities, a heightened risk exists that an SKK Party will come into possession of material non-public information by virtue of its relationship with the issuer’s control person. The SKK Parties have adopted enhanced policies and procedures regarding identification and treatment of material non-public information as a result of these risks.

In August 2021, SKK and SK settled claims brought in a private arbitration arising from investments in a failed hedge fund recommended by SK in 2014-2016. The private arbitration panel issued an award to the

claimants in April 2021, which has been fully and finally resolved in the settlement. SKK and SK strongly disagree with the panel's award and believe that at all times SK acted properly, professionally and in accordance with its contractual and other duties. Indeed, in an earlier arbitration decided in 2019, the arbitrator rejected substantially similar claims brought by different claimants arising from investments in the same hedge fund.

In an effort to put this matter behind the firm and avoid further costs and distraction, and considering the difficulty of overturning arbitration awards, a settlement was reached in which SKK agreed to make a payment to claimants.

MRLM Group, LLC (part of the MRLM Entities discussed elsewhere in this brochure), an affiliate of SKK and SK has borrowed funds to fund a portion of the settlement. The lenders include an advisory client of SKK, as well as certain persons affiliated with investments that SKK has recommended and may recommend to some of its clients, including clients served by SK. These relationships, as well as the structure of the loans, create certain conflicts of interest that are described above.

These examples are only indicative in general of the kinds of actual and potential conflicts that exist. With the various interrelationships among the SKK Parties, with clients, investors in the SKK Funds, companies in which investments are made, and third-party service providers on the one hand, and the changing nature of the relationships and circumstances on the other hand, further conflict scenarios will likely arise.

Conflict Mitigation

SKK, SK and PCM take steps that they reasonably believe will mitigate any material conflicts noted above that might arise. SKK and SK believe that potential conflicts are mitigated by their investment process and appropriate fee adjustments, and they will provide disclosures to clients and investors regarding conflicts and potential conflicts, as necessary. Additionally, executive management and compliance personnel meet regularly to address conflicts and other compliance issues, which facilitates the identification, analysis, and remediation of perceived and potential conflicts. Any material conflicts of interest that arise are discussed and resolved on a case-by-case basis by senior personnel of SKK, SK and PCM.

Item 12: Brokerage Practices

The following discussion of brokerage practices relates primarily to SK. Please refer to SKK's Form ADV Part 2A for a discussion of SKK's brokerage practices, which in some cases vary from SK's practices set forth below, including without limitation with respect to soft dollar arrangements and supplemental services.

SK allows clients to direct transactions to the broker-dealer of their choice. Additionally, clients may select a custodian of their choice. SK will recommend broker-dealers and/or custodians that we believe best meet the needs of each client. By directing brokerage, clients may not be able to achieve the most favorable execution of transactions and this practice may cost clients more money.

SK does not receive any fees, commissions, or other compensation from any custodian or broker-dealer. SK does not have a "soft dollar" arrangement with any custodian or broker-dealer.

SK does not purchase research or other products or services from any outside sources affiliated with broker-dealers or custodians. SK seeks to negotiate the best terms and pricing from the custodians and broker-dealers for the benefit of our clients.

SK has a reasonable belief that the custodians and broker-dealers recommended by SK are able to obtain best execution and competitive pricing. Additionally, we review the services of broker-dealers recommended by us and recommend the services based on a number of factors such as quality of professional services offered, commission rates, and the custodial platform provided to clients. While we

do not seek to exercise discretion to negotiate trades among various brokers on behalf of clients, we attempt to negotiate lower commission rates for our clients with the recommended broker-dealers.

SK reserves the right to decline acceptance of any client that directs the use of a broker-dealer that we believe would adversely affect our duty to obtain best execution and effectively manage the client's assets.

SK generally does not aggregate transactions; our approach focuses on providing custom portfolios for both short and long-term client specific goals; therefore, we implement clients' transactions separately for each account. Due to this practice, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers that block client trades.

If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day.

Please refer to SKK's Form ADV Part 2 for their brokerage practices for non-wealth management clients.

Item 13: Review of Accounts

Please refer to SKK's Form ADV Part 2 for its procedures and practices regarding its review of accounts, particularly asset management accounts, and private equity, venture capital, and real estate investment strategies.

SK's Investment Committee, co-chaired by David Shepherd and David Kaplan, has the overall responsibility for developing investment strategies, investment selection, and the implementation and monitoring of firm-wide investment processes and controls. Investment advisory consultants and client advisors are responsible for managing each client's portfolio consistent with the client's objectives; however, the entire firm works as a collective team to fulfill our clients' advisory needs.

To support this effort, the firm develops, for each client, an IPS that establishes the goals and objectives for the client's portfolio. Additionally, specific asset allocation targets, rebalancing limits, investment monitoring criteria, cost controls and investment restrictions are discussed and defined for each portfolio.

These guidelines are integrated with the firm's proprietary technology to enable the review of portfolios and investments to monitor for client suitability and compliance. The automated IPS is a powerful risk management tool which permits senior management and investment advisory consultants to efficiently monitor portfolios on an ongoing basis. Client portfolios are regularly reviewed, and SK personnel strive to meet with clients at least quarterly.

Institutional Portfolio Review includes an examination of the following account information:

- Asset allocation,
- Investment selection,
- Revenue recapture account, where applicable
- Investment share class comparison,
- Account performance, and
- Verification that plan objectives, goals and needs are being met.

Private Portfolio Review includes an examination of the following account information:

- Asset allocation,
- Investment selection,
- Cash account levels,
- Account performance, and

- Verification that client objectives, goals and needs are being met through financial planning.

Access Persons who conduct portfolio reviews:

- David Shepherd – Co-CEO
- David Kaplan – Co-CEO
- Michael Halloran – Member, Senior Vice President
- Shawn Samperi – Member, Senior Vice President
- Chris Cole – Member, Senior Vice President
- David Perlin – Senior Vice President
- Michael Howard-Johnson – Vice President
- Richard Blair – Senior Vice President, Investment Research

Standard written client reporting includes:

Performance Report: SK client account performance reports contain both time-weighted return (TWR) as well as internal rate of return (IRR). Return calculations include realized gains, unrealized gains, interest, dividends, changes to accrued interest, and management fees. Performance reports show total portfolio return as well as the return of underlying investments for current and past holdings.

Investment Monitoring: SK monitoring reports track the performance of each investment within the client's portfolio relative to peers and indices. Monitoring criteria includes: volatility, performance relative to risk, portfolio concentration, expense ratios/fees, and correlation to style or peer group.

Investment Search: SK investment search reports present the client with comprehensive comparative reporting on investment candidates within each asset class under review. An investment asset class search is conducted before recommending an investment change, or if a client requests a review of a currently held or new investment manager. This report is used internally and in consulting with clients.

Portfolio Matrix: SK portfolio matrix reports show an aggregated view of all investment accounts for private and defined benefit clients. The report displays investments in their respective asset classes along with target and actual allocations.

Quarterly client reporting is provided electronically through our password protected website and is also available in hard copy format.

Item 14: Client Referrals and Other Compensation

In appropriate circumstances, SK or an affiliate enter into arrangements to compensate third parties for referring wealth management clients to SKK in accordance with written agreements that comply with Rule 206(4)-1 of the Investment Advisers Act of 1940 (the Act) and other legal requirements. Whenever a third party is compensated for a client referral, SK and SKK require such third party to enter into a Promoter Agreement, and provide regulatory disclosures, as required by the SEC Marketing Rule

Such compensation is disclosed to, and approved by, affected clients, as required by Rule 206(4)-1. As a matter of firm practice SKK does not charge a client any additional amount or a higher advisory fee due to such an arrangement.

Certain SK employees and members receive compensation dependent upon revenues attributable to that person's role in bringing such revenues to the firm or in connection with which the person provides material investment advisory services.

See Item 5, Fees and Compensation for a description of certain third party fees that may be allocated to specific investors who are introduced to SKK Funds by a third party broker dealer.

Item 15: Custody

Pursuant to Rule 206(A)-2 SK is deemed to have custody of client assets for certain accounts. SK uses qualified institutional custodians to hold client funds, who will provide account statements directly to account holders no less frequently than quarterly. Clients should carefully review those account statements and are urged to compare them to reports provided by SK.

Please see SKK's Form ADV Part 2 for information regarding custody of assets held in pooled investment vehicles advised by SKK or its affiliates.

Item 16: Investment Discretion

SK has discretionary authority to manage some accounts on behalf of clients. In such cases, clients sign an SKK discretionary management agreement, in which, by the terms of the agreement, discretionary authority is conferred to SK in its capacity as sub-advisor. This authority enables SK to determine the composition of the client's portfolio, subject to any limitations the client imposes. In addition, the client and SK work together to create a discretionary IPS, and the investment advisory consultant implements the agreed-upon investment plan. Investment research, monitoring, performance reporting and review of account processes are the same as for nondiscretionary relationships; however, meetings will generally be less frequent than quarterly for discretionary clients; please see Items 4, 8 and 13 for further information regarding procedures followed.

For defined contribution plans, SK may accept investment discretion in its capacity as sub-adviser over some or all of the Plan-level investment decisions and may also assume responsibility as the "named fiduciary" for some or all plan-level investment related matters. The named fiduciary level of discretion includes establishing an IPS, selecting the designated investment alternatives (DIAs) that will be offered to participants for investment, monitoring of the DIAs and, as necessary, removing, replacing, or adding any DIAs.

Item 17: Voting Client Securities

The following discussion of proxy voting practices relates primarily to SK. Please refer to SKK's Form ADV Part 2A for a discussion of SKK's proxy voting practices.

SK does not have and will not accept authority to vote proxies on behalf of advisory clients. The firm may offer assistance on proxy matters upon client request. Clients retains proxy voting responsibilities and will receive their proxies or other solicitations directly from their other service providers, such as custodians, transfer agents, etc.

Item 18: Financial Information

- END OF BROCHURE -