



Brochure of Kensho Capital LLC

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March 7, 2024

This brochure provides information about the qualifications and business practices of Kensho Capital LLC ("Kensho").

If you have any questions about the contents of this brochure, please contact us at 510.495.15.14.

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 Kensho also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Kensho continues to conduct its business activities and provide investment advisory services in substantially the same manner as described in the last annual update to the Firm Brochure on March 16, 2023. The ensuing is only a list of changes since the last annual update that are or may be considered material. It does not identify every change to the Firm Brochure since the last update. In addition, there have been minor word enhancements and clarifications throughout the Firm Brochure.

The address for Kensho have been updated on the cover page.

Item 3. Table of Contents

| | Page |
|---|------|
| Item 2. 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 | 9 |
| Item 10. Other Financial Industry Activities and Affiliations | 9 |
| Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading | 10 |
| Item 12. Brokerage Practices | 11 |
| Item 13. Review of Accounts..... | 11 |
| Item 14. Client Referrals and Other Compensation | 11 |
| Item 15. Custody | 12 |
| Item 16. Investment Discretion..... | 12 |
| Item 17. Voting Client Securities | 12 |
| Item 18. Financial Information | 12 |

Item 4. Advisory Business

Kensho Capital LLC is a California limited liability company, formed originally in 2012 to offer strategic consulting services to corporations and investors. Since June 2015, Kensho has offered discretionary and non-discretionary investment advisory services to other investment advisers, and non-discretionary investment advisory services to institutional investors, family offices, other sophisticated private investors, and individuals. Kensho's manager and controlling owner is Stephane Prunet. As of December 31, 2023, Kensho managed approximately \$335,000,000 in assets under management on a non-discretionary basis and no assets under management on a discretionary basis.

Kensho provides macro-economic analyses and forecasting, asset class return and risk forecasting, asset allocation models and target portfolios customized for each client, and research and recommendations regarding investment managers and investment vehicles. When providing investment management services, Kensho uses either an active approach, where assets are generally allocated among actively managed mutual funds, hedge fund and other private pooled investment vehicles, or a passive approach, where shares of passively managed mutual funds and ETFs will typically be recommended. Kensho may also recommend other types of securities, including publicly traded stocks, bonds, options, money market securities, and intangible investment instruments and vehicles of every kind.

To tailor its services to the individual needs of each client account, Kensho:

- Advises each such account based on the client's financial situation and investment objectives and preferences, and in accordance with any constraints or restrictions that the client imposes on managing the account. Kensho obtains this information from a client in meetings and interviews.
- At least annually, contacts each client (either in person or by telephone) to ask about any changes in the client's financial situation or investment objectives and whether the client desires to impose or modify any new or different restrictions on the types of investments Kensho recommends for the account.
- Generally notifies each client quarterly in writing to contact Kensho if there are any changes in the client's financial situation or investment objectives, or if the client desires to impose or modify any restrictions on the account.
- Makes itself regularly available to clients for consultation.

Item 5. Fees and Compensation

As it seeks to serve a limited number of investors, in a highly customized and personalized manner, Kensho's compensation is negotiable and varies for each client, depending notably on the exact range of the services provided, the amount of assets advised, the types of investments with respect to which Kensho's advice is sought, and whether performance-based fees are also charged.

For macro-economic analyses, Kensho typically charges fixed fees, which are negotiated separately with each client depending on the specific types of services provided, and the frequency and detail of the reports the client desires. These are generally payable quarterly or monthly in advance or arrears.

For customized asset allocation models and investment recommendations, Kensho generally charges advisory fees based on the value of the client accounts it advises. Such fees are typically 1% per year (less for large accounts), except for certain accounts (e.g., family or friends) whose fees may be charged at a reduced rate or waived. Fees are charged quarterly or monthly in advance or arrears, as negotiated with the client, and are based on the net market value of the client's account on the date the fee accrues and becomes payable.

For certain client accounts, Kensho charges performance-based fees. These are typically calculated as a specified percentage of the amount by which the net profits of the account Kensho advises exceed a specified benchmark return. Performance fees are typically assessed annually in arrears, and are charged only on the portion of profits that exceeds the cumulative losses previously incurred by that account. Kensho will comply with Rule 205-3 under the Investment Advisers Act to the extent required by applicable law. Although performance fees may help align the interests of Kensho and the client, they also create an incentive for Kensho to make riskier and more speculative recommendations than it otherwise would.

The investments that Kensho recommends include mutual funds (including ETFs) and other investment funds, including hedge funds. In addition to paying advisory fees to Kensho, clients that invest in these types of funds also pay investment management fees (which may include performance-based fees) to the managers of those funds.

Kensho does not have the authority to deduct its fees directly from client accounts, but instead bills its clients for such amounts.

In addition to paying investment advisory fees, clients may, depending on the terms of their agreement with Kensho, pay Kensho fixed amounts for overhead expenses, reimburse Kensho for certain travel and other specified expenses, and/or provide Kensho with access to certain research services and investment opportunities.

Kensho believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

Except as may be otherwise negotiated in particular cases, a client may terminate its account by giving 90 days' prior written notice. On termination of an account, all prepaid but unearned advisory fees are refunded, and if the fees are charged in arrears, a pro rata portion through the date of termination is charged.

Each account is responsible for its own costs and expenses. Kensho bears its own operating, research, general, administrative and overhead costs and expenses, except as may be expressly negotiated with particular clients.

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

As described in Item 5 above, Kensho charges performance-based compensation for certain client accounts. Typically, an account that does not pay performance-based compensation will pay a higher asset-based fee. The possibility that Kensho could receive performance-based compensation creates a conflict of interest in that it creates an incentive for Kensho to recommend riskier and more speculative

transactions than would be the case in the absence of such form of compensation. Moreover, when Kensho manages some accounts that pay performance fees and some accounts that do not and where one fee structure generates higher fees for Kensho than the other fee structure, Kensho has potential a conflict of interest because it has an incentive to favor the account that pays higher fees. It should also be noted that Kensho is contractually obligated by its first and oldest client to give that client priority with respect to the allocation of any investment opportunity recommended by Kensho. Therefore, it is possible that this client, which provides performance-based compensation to Kensho, may receive the entire allocation of a new investment opportunity while all other clients of Kensho receive no allocation.

Kensho is aware of the conflicts above and is accordingly vigilant about allocating resources, time and attention fairly among all of its clients. Moreover, if a client does not receive its full, desirable allocation, Kensho will make its best effort to identify and propose suitable investment alternatives.

Item 7. Types of Clients

Kensho provides discretionary and non-discretionary investment advice to other investment advisers, and non-discretionary investment advice to institutional investors, family offices, private investment funds, high net-worth individuals, and other sophisticated private investors. Kensho generally requires a minimum of \$10,000,000 to open an account, but may waive this minimum at its discretion.

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

Investment Strategy and Services

Kensho's underlying belief is that markets are reasonably but not perfectly efficient, and therefore in general i) market timing is not a reliable source of added value ii) cost efficient approaches like passive/index strategies make a lot of sense and iii) active management, though a challenging proposition, can also provide added value under certain specific circumstances and criteria.

Kensho offers the following services to its clients:

- *Economic consulting:* Kensho provides macro-economic analyses and forecasts, based notably on the monitoring and analysis of multiple sources of data and research, including, for example, Bloomberg, economic news publications, blogs, and proprietary research regarding fund managers. Kensho produces and regularly updates a "base case" expressing its proprietary economic and investment views, including risks and alternate scenarios.
- *Asset class forecasts:* Based on its macro-economic expectations, Kensho develops proprietary forecasts regarding asset class returns and risks. These reflect both long term historical trends and Kensho's proprietary forward-looking expectations.
- *Customised asset allocation:* One of Kensho's main beliefs and differentiation is that investors' long term success is highly determined by how well their investment strategy reflects and fits not only their objectives and constraints, but also their beliefs and preferences. Accordingly, Kensho's

customized asset allocations for each client combine as inputs Kensho's proprietary forecasts of asset class returns and risks, with the client's objectives, constraints and preferences, to produce via an optimisation a set of possible "optimal" portfolios presenting different risk/return profiles. The choice of a particular "target portfolio" for a client, which consists of recommended percentage allocations among asset classes, requires another intensive dialogue with the client, and the client's formal approval, in an effort to ensure that the client fully understands the trade-offs involved and likely experience along the way, and to maximise the chances of the client's adhering to the chosen strategy. In developing a target portfolio, Kensho relies on portfolio optimisation software procured from third-party vendors.

- *Recommendation of investment vehicles:* Once a client has chosen a target portfolio, Kensho provides advice and recommendations on selecting external managers and related investment vehicles. Kensho's principal has extensive investment management industry experience and access to a deep network of industry veterans with expertise in a variety of asset classes, including equities, credit and alternative investments such as hedge funds. The selection process relies on the use of databases and research on external managers and investment vehicles, as well as Kensho's direct knowledge of managers, and combines quantitative and qualitative selection criteria.
- *Recommendation of individual securities:* In certain cases, Kensho will recommend publicly traded stocks, bonds, options, money market securities.

Kensho does not provide tax advice or comprehensive financial planning services to its clients.

Kensho does not implement its investment recommendations for its non-discretionary clients. Such clients are wholly responsible for selecting their target portfolios and specific investments, for determining when to buy or sell investments, and for implementing their trading decisions.

The investment advisory services summarized above represent Kensho's current intentions and are not exhaustive. Kensho may also offer other services in the future. There are limitations in describing any analysis or investment process due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities markets and the economy generally, Kensho may use any analytical techniques that it considers appropriate and in clients' interest.

Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below is a brief summary of some of the risks that investors should consider before engaging Kensho. Such risks could materially and adversely affect investment performance, the value of any portfolio or the value of any security held in an account, and could cause clients to lose substantial amounts of money. A potential client should discuss with Kensho any questions that it may have before opening an account.

- Client accounts may not achieve their investment objectives. Kensho may not be able to obtain complete or accurate information about economic trends, investment managers and investments and may wrongly analyze or misinterpret the information that it does receive. Kensho's economic and asset allocation forecasts may not be correct, recommended investments may not perform as expected, and clients may lose some or all of their investment in the portfolios that Kensho recommends.

- Clients to whom Kensho provides non-discretionary services are solely responsible for implementing Kensho's recommendations. A client's errors or delay in executing trades, or a decision not to follow Kensho's recommendations, may cause that client's portfolio not to reflect the investment preferences, objectives and risk profile that the client communicated to Kensho and may subject that client's account to additional risk of loss.
- Kensho relies on proprietary and third party quantitative models to analyze macro-economic and asset class trends and particular investment vehicles. These models rely on assumptions that may or may not be realistic, and involve trade-offs, simplifications and approximations. They may not function as intended, contain undetected errors or may become outdated or inaccurate as market dynamics (for example, due to changed market conditions and participants) shift over time. Kensho's quantitative models use data supplied by third parties, such as macro-economic statistics and performance data relating to specific investment vehicles. Errors in these data could cause Kensho's models to generate recommendations that result in losses. Kensho attempts to check the data for accuracy but may not detect all errors. Any loss or corruption of data through computer malfunction may similarly cause the models not to work as intended.
- Kensho is a relatively new advisor with a limited history of operations so it may be difficult for prospective clients to evaluate its performance.
- Markets for mutual funds and other investment vehicles and the securities in which they invest fluctuate, and the market value of any investment may vary substantially.
- Investor sentiment on the market, an industry, an investment fund or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- A client portfolio, or any investment fund held in such portfolio, may have higher turnover and transaction costs than similar portfolios and funds advised by other investment advisers. These costs reduce the amount of assets invested and the potential profit, or may increase loss.
- Kensho may recommend investments in investment funds that hold securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Kensho may recommend investments in individual equities (stocks) and fixed-income securities, including bonds. The biggest risks associated with equities are price fluctuations and market risk. With bonds, the risks can vary widely based on financial health of the issuer, the risk of the issuer defaulting, the maturity of the bond, and whether the bond can be called prior to maturity.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.

- Certain private investment funds recommended by Kensho may be or become illiquid, in which case clients may not be able to sell such positions at appropriate times and may suffer material losses.
- A portfolio recommended by Kensho may not be sufficiently diversified, or its expected diversification notably between asset classes and investment vehicles may not behave as expected, notably in case of market stress where correlations between different investments tends to surge. In such cases, a decline in any asset class, industry or sector in which a portfolio is concentrated may cause significant losses.
- Kensho generally is not responsible to any client for losses incurred in an account unless the conduct resulting in such loss constituted Kensho's gross negligence, fraud or willful misconduct.
- The attorneys who represent Kensho or its manager do not represent its clients. Clients must hire their own counsel for legal advice and representation.
- Federal, state and international governments may increase regulation of investment advisers, which may increase the time and resources that Kensho and the managers of funds it recommends must devote to regulatory compliance, to the detriment of investment activities.
- Kensho's investment recommendations could have adverse tax consequences for clients. Kensho does not provide tax advice or analysis to its clients and does not take tax effects into account when constructing portfolios.
- Implementing Kensho's investment recommendations may result in a client that is subject to the Employee Retirement Income Security Act of 1974 engaging in a prohibited transaction under that Act.
- Kensho and its principal may spend time on activities that compete with clients without accountability to them, including advising other clients and investing for their own accounts. If Kensho receives better compensation or other benefits from advising certain client accounts, it has incentive to allocate more time to them than to other clients.
- Kensho may provide some clients with more frequent or detailed reports and special compensation arrangements that it does not provide to other clients.

Item 9. Disciplinary Information

Kensho has no disciplinary information that is reportable on this form.

Item 10. Other Financial Industry Activities and Affiliations

Kensho has no other financial industry activities or affiliations that are reportable on this form.

Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading

Kensho has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 that establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that Kensho's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons periodically to report their personal securities transactions in "reportable securities" (as defined in Rule 204A-1) and holdings to Kensho's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of Kensho will receive a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Kensho's Code of Ethics by contacting Stephane Prunet.

Under Kensho's Code of Ethics, Kensho and its manager and employees may personally invest in funds that Kensho recommends for clients and may already own funds that Kensho recommends for clients. This practice creates a theoretical conflict of interest in that any of such persons could use his or her knowledge about Kensho's recommendations for clients to profit personally by the market effect of such recommendations. Kensho, however, does not have any control over its non-discretionary clients' purchases and sales of the investments it recommends, and no advance knowledge of when or whether clients may implement those recommendations. Moreover, even for discretionary clients, because Kensho's recommendations consist mainly of mutual funds and certain private funds, Kensho believes that having such knowledge would not offer an opportunity to profit from clients' trading, since its clients' investing in such funds is highly unlikely to affect those funds' market prices. Accordingly, Kensho does not restrict its or its employees' trading.

When Kensho advises more than one client, there may be conflicts of interest over its time devoted to advising any one account. Kensho recommends investments for each client based on investment considerations for that client. Different clients may have differing investment preferences, objectives and risk tolerances. Kensho may recommend an investment for one client but not for another, or may recommend that one client purchase an investment while simultaneously recommending that another client sell that investment. Kensho may give advice to any of its clients that differs from the advice that it gives or the timing or nature of action that recommends for any other client. Kensho is not obligated to recommend for any client any investment that it recommends for other clients or that it or its managers, members or employees acquire for its or their own accounts, if in Kensho's absolute discretion, it is not desirable to recommend that investment for that client.

In situations in which Kensho recommends a given investment opportunity for more than one client, and the amount of such opportunity that is available is less than the total amount Kensho would recommend for all clients for which the opportunity is appropriate, Kensho will generally make its best efforts to allocate the opportunity on a pro rata basis to such clients. Kensho, however, is contractually obligated by its first and oldest client to give that client priority with respect to the allocation of any investment opportunity recommended by Kensho. Therefore, it is possible that this client may receive the entire allocation of a new investment opportunity while all other clients of Kensho receive no allocation. For any client that does not receive its full desirable allocation in this process, Kensho will make its best efforts to identify and propose suitable investment alternatives. Kensho and its managers, members and employees

will generally not participate in any limited investment opportunity that is appropriate for clients until the clients have been allocated their full desirable amounts.

It should be noted that Kensho currently co-invests with a client in certain investment opportunities. All such co-investments are selected by the client but could potentially include opportunities that originated from Kensho and which Kensho might recommend to its other clients, if appropriate. In such cases, and in the eventuality of limited capacity, Kensho and longer tenured relationship client(s) would be investing ahead of its other more recent clients, who, as a result, may not be able to fully participate in the opportunity. It is also important to note that such co-investments are made with Kensho's own funds as well as with a loan facility arranged by the client co-investing with Kensho. As a result, there could be a conflict of interest as Kensho would have an incentive to favor this client in order to maintain the loan facility and continue making co-investments with the client. This potential conflict is mitigated in part by the fact that Kensho is vigilant about allocating resources, time and attention fairly among all of its clients. Moreover, as noted above, if Kensho's other clients are unable to participate in an investment opportunity, Kensho will make its best efforts to identify and propose suitable investment alternatives.

Kensho and its managers, members and employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from economic and asset class forecasts, fundamental analysis and client needs, including ones that Kensho does not believe appropriate to recommend to clients.

Item 12. Brokerage Practices

Kensho does not place or execute trades for its clients or advise them as to which brokers or custodians to engage for their accounts. Kensho does not engage in soft dollar practices.

Item 13. Review of Accounts

For most clients, Stephane Prunet, Kensho's manager, reviews target portfolios and specific investment recommendations on a regular basis. The reviews take into account such matters as macro-economic trends, asset class trends, market outlook, and the prospects of individual investment vehicles. Most clients generally receive periodic communications from Kensho discussing economic and market issues. Clients for which Kensho provides asset allocation and investment recommendations may also receive periodic reports showing the performance of the recommended investment vehicles and discussing the economic and investment outlook.

Item 14. Client Referrals and Other Compensation

Kensho does not engage parties to refer clients to it and is not compensated by any parties for referrals.

Item 15. Custody

Kensho does not currently have custody of any client funds or securities and does not have direct access to clients' brokerage accounts. Each client should carefully review the account statements it receives from its custodian.

Item 16. Investment Discretion

For any client to whom Kensho provides discretionary investment advice, Kensho exercises that discretion pursuant to a grant of authority in that client's account agreement. Kensho does not have investment discretion with respect to any non-discretionary client account.

Kensho requires each investment advisory client to advise Kensho of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Kensho in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. Discretionary clients may direct Kensho to take certain actions with respect to their accounts notwithstanding the fact that they have granted Kensho investment discretion. For example, a discretionary client may at any time direct Kensho to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives, and may notify Kensho at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

Kensho's investment advisory agreements with its clients specify that Kensho is not responsible for voting proxies for any security in the client's account.

Item 18. Financial Information

This Item is not applicable, because Kensho is not required to report financial information.

Brochure Supplement for Stephane Prunet Manager and Chief Compliance Officer

Kensho Capital LLC

32 Rue La Boetie, Paris, France 75008 | 510.495.15.14

March 7, 2024

This brochure supplement provides information about Stephane Prunet that supplements the brochure of Kensho Capital ("Kensho"). If you have any questions about the contents of this supplement, please contact us at 510.495.15.14.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Born: 1966

Education:

Sciences Po (Paris), Economics and History

Work Experience:

Kensho Capital LLC - Manager and Chief Compliance Officer (2015-Present)

Equilateral Partners – Principal (2013-2015)

AXA Investment Managers SA – Senior Advisor to Group CEO (2011-2012)

AXA Investment Managers SA – Global Head of equities, member of the Management Board (2003-2011)

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Prunet.

OTHER BUSINESS ACTIVITIES

Registered investment advisers are required to disclose all material facts regarding other business activities in which the supervised person is engaged. No information is applicable to this item for Mr. Prunet.

ADDITIONAL COMPENSATION

Registered investment advisers are required to disclose all material facts regarding additional compensation for providing advisory services received by the supervised person from someone who is not a client. No information is applicable to this Item for Mr. Prunet.

SUPERVISION

Mr. Prunet, the Manager and Chief Compliance Officer of Kensho, adheres to Kensho's Compliance Policies & Procedures and Code of Ethics.