

**Item 1 – Cover Page**

**High Perch LLC**  
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**646-334-7810**  
**March 4, 2015**

This Brochure provides information about the qualifications and business practices of High Perch LLC (“High Perch”). If you have any questions about the contents of this Brochure, please contact us at 646-334-7810 and/or [wchau@hardingllc.co](mailto:wchau@hardingllc.co). 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.

High Perch is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

Compared to the Brochure dated January 16, 2014, a Securities and Exchange Commission Administrative Law Judge has found Harding Advisory LLC and Wing Chau liable for violations of section 17(a) of the Securities Act of 1933 and Section 206 of the Investment Advisers Act of 1940. Harding Advisory LLC and Wing Chau plan to appeal the finding.

Currently, our Brochure may be requested by contacting Wing Chau, President, at 646-334-7810 or [wchau@hardingllc.co](mailto:wchau@hardingllc.co).

Additional information about High Perch is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with High Perch who are registered, or are required to be registered, as investment adviser representatives of High Perch.

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## **Item 4 – Advisory Business**

High Perch acts as primary collateral manager for a number of collateralized debt obligations (each, a “CDO”). In addition, High Perch’s parent company, Harding Advisory LLC (“Harding Advisory”), acts as collateral manager of certain other CDOs. High Perch may have broad managerial powers, including, but not limited to, the ability to acquire and dispose of securities, consent to proposed changes in the documents governing such securities, and exercise rights or remedies on behalf of the CDO vehicle. In some cases, High Perch will have the ability to exercise such managerial powers without the client’s specific consent.

As primary collateral manager, High Perch supervises and directs the investment and reinvestment of collateral debt securities, sale of collateral debt securities and the investment of funds on deposit in the CDOs.

In addition, High Perch may, pursuant to written agreements, perform certain other services on behalf of the CDOs. Such other services may include:

1. Monitoring the collateral and assisting the CDO and/or the CDO trustee and collateral administrator in the preparation of all reports and other data that the CDO (or the trustee or the collateral administrator on its behalf) is required to prepare and deliver under the relevant indenture;
2. Advising the CDO regarding the disposition and tender of collateral debt securities, equity securities and eligible investments;
3. Advising the CDO in connection with an optional redemption or tax redemption;
4. Advising the CDO regarding the exercise or waiver of remedies in respect of defaulted securities and the exercise of voting rights with respect to collateral debt securities and equity securities;
5. Assisting the CDO in determining the fair market value of collateral debt securities in accordance with the relevant indenture and consulting with the CDO regarding approved dealers and approved pricing services used to make such determination; and
6. Negotiating and entering into on behalf of the CDO, any replacement hedge agreement.

A more complete description of High Perch’s activities as collateral manager is available in the prospectus issued in connection with each offering of CDO securities.

As of December 31, 2014, High Perch's assets under management totaled \$821,358,269 on a discretionary basis across 4 accounts. High Perch does not manage any assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

As compensation for the performance of its obligations under the relevant collateral management agreement, High Perch (as named collateral manager for certain CDOs) will be entitled, to the extent of the funds available for such purpose in accordance with the priority of payments, to receive senior and/or subordinate management fees for each CDO generally ranging from 0.05% to 0.425% per annum of the quarterly asset amount on each quarterly distribution date.

High Perch will in turn compensate Harding Advisory for its services as sub-adviser from this fee. In addition, in certain limited situations High Perch shall be entitled to receive a management make-whole fee, which is an amount payable on the applicable date of redemption. The calculation and payment of make-whole is described in complete detail in the applicable CDO offering documents. Prospective investors are requested to refer to such for complete information regarding management make-whole fees for CDOs.

### **GENERAL INFORMATION ON FEES**

Negotiability of Fees: In certain circumstances, High Perch's fees may be negotiable.

Fee Calculation: The fee is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

Termination of Advisory Relationship: High Perch may be terminated (but only for cause) as primary collateral manager to the various CDOs upon receipt of written notice from the applicable CDO trustees.

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

The calculation and payment of the performance compensation applicable to a particular interest in a CDO is described in detail in the respective offering documents for such interest.

The performance compensation may create an incentive for High Perch to cause the CDOs to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement. The Investment Advisers Act of 1940 and certain state laws restrict the payment of performance-based fees to investment advisers registered under such act.

However, SEC Rule 205-3 permits the payment of performance-based compensation to registered investment advisers provided that the clients (including investors in investment vehicles such as the CDOs) meet certain financial qualifications. The offerings of interests in the CDOs are structured to comply with this rule and accordingly the CDOs will only accept subscriptions from investors who meet the qualifications set forth in Rule 205-3. All investors are requested to refer to the applicable documents for a full description of the management fees and Performance Compensation to be charged.

## **Item 7 – Types of Clients**

High Perch provides portfolio management services to corporations and business entities other than (i) individuals, (ii) banks or thrift institutions, (iii) investment companies, (iv) pension and profit sharing plans, and (v) trusts, estates or charitable organizations.



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

High Perch follows the below Investment Philosophy:

### Investment Objectives

1. Invest in high-quality assets with stable returns and superior capital-preservation profiles
2. Maximize returns and minimize losses through rigorous upfront credit and structural analysis, as well as ongoing monitoring of asset quality and performance

### Approach to Investing

1. Employ top/down economic analysis to determine sector allocation
2. Perform thorough bottom/up credit and structural analysis to identify individual investments
3. Complete in-depth credit review to determine the suitability of each potential transaction in the context of the CDO
4. Actively monitor investment performance

High Perch utilizes the below Investment Process:

1. Leverage substantial buy-side and sell-side experience to discern those market opportunities for capturing meaningful, value-added returns
2. Devise collaborative, methodical and disciplined research processes to identify potential credit and structural issues in proposed investments
3. Develop robust surveillance systems to actively monitor performance and compliance of the assets in the CDO
4. Invest in industry-wide-accepted technologies to enable Harding Advisory to appropriately assess the risk/reward profile of investments and evaluate the impact on the CDO
5. Enhance already strong broker-dealer relationships to ensure favorable allocations in the new-issue process and solid execution of secondary-trading activities

High Perch may also provide advice about or utilize hedging or derivatives. Investors and prospective investors in the CDOs are requested to refer to the applicable offering documents for complete information on types of investments and investment strategies that are utilized by High Perch.

Investing in securities involves risk of loss that clients should be prepared to bear. Risk factors include, but are not limited to:

1. Limited Liquidity
2. Fees Reduce Proceeds Available for Purchase of Collateral Securities
3. Notes are Limited-Recourse Obligations
4. Payments in Respect of the Preference Shares
5. Investment in Preference Shares
6. Volatility of the Preference Shares
7. Subordination of Each Class of Subordinate Notes
8. Ongoing Commitments
9. Nature of Collateral
10. Collateral Ramp-Up Risk
11. Collateral Credit Risk
12. Collateral Consisting of CDO Securities
13. Default and Concentration Risk
14. Disposal Risk
15. Auction Call Redemption
16. Early Redemption of the Notes
17. Certain Conflicts of Interest
18. ERISA Considerations
19. Average Life of the Notes

20. Application of Principal Proceeds
21. Relation to Prior Investment Results
22. Investment Advisor Risk
23. Mandatory Repayment of the Notes
24. Interest Rate Risk
25. Reinvestment Risk
26. Credit Ratings
27. Taxation
28. Synthetic Securities
29. Derivative Agreements and Close Out Netting
30. Derivative Counterparty Default

Investors and prospective investors in the CDOs should carefully consider the above risks, as well as others, prior to investment. A more complete description of these risks is available in the prospectus issued in connection with each offering of CDO securities.

## **Item 9 – 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 High Perch or the integrity High Perch's management.

A Securities and Exchange Commission Administrative Law Judge has found Harding Advisory LLC and Wing Chau liable for violations of section 17(a) of the Securities Act of 1933 and Section 206 of the Investment Advisers Act of 1940. Harding Advisory LLC and Wing Chau plan to appeal the finding.

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

Wing Chau, Managing Member of High Perch, is also an executive officer of Harding Advisory, an SEC-registered adviser that is High Perch's parent company. Wing Chau spends approximately 95% of his time with Harding Advisory and 5% with High Perch.

## **Item 11 – Code of Ethics**

High Perch has adopted a Code of Ethics that sets forth high ethical standards of business conduct that Harding Advisory requires of its employees, including compliance with applicable federal securities laws.

High Perch's Code of Ethics also includes policies and procedures for the review of periodic securities transactions reports as well as initial and annual securities holdings reports that must be submitted by High Perch's covered persons. Among other things, High Perch's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g. private placement) or an initial public offering.

High Perch's Code of Ethics also includes oversight, enforcement and recordkeeping provisions.

A copy of High Perch's Code of Ethics is available to High Perch's advisory clients upon request to the Chief Compliance Officer at High Perch.

## **Item 12 – Brokerage Practices**

High Perch has been provided in the primary collateral management agreements the authority to determine without obtaining client consent the broker or dealer to be used when buying or selling securities and the commission rates to be paid (or markups and markdowns in the case of certain fixed income securities). There are no limitations on this authority.

In selecting brokers, High Perch and/or Harding Advisory as sub-adviser, considers the availability of the product being sought, the price of the security and the transaction costs associated with the purchase or sale of the product.

High Perch will seek to obtain, on an arm's length basis, the best execution for all orders placed with respect to the CDOs, considering all circumstances that are relevant in its reasonable determination, including price (including any applicable dealer spread or commission), size of order and difficulty of execution, operational facilities of the firm involved and such firm's risk in positioning a block of securities.

Subject to the objective of obtaining the best execution, High Perch may, in the allocation of business on behalf of the CDOs, take into consideration research and other brokerage services furnished to High Perch by brokers and dealers that are not affiliates of High Perch. However, while High Perch is granted the authority in the various CDO documents to trade for soft dollars, it has determined that it will not utilize such.

### **Item 13 – Review of Accounts**

The indenture, collateral management agreement and collateral administration agreement relating to each CDO advised by High Perch set forth, in detail, investment criteria, reporting requirements and scope of duties with respect to the management of the CDO.

Each of High Perch's CDOs has, where required, engaged a trustee, a collateral administrator and a nationally recognized accounting firm for each CDO.

The CDO documents provide that either the trustee or the administrator is responsible for creating and updating a database to monitor the characteristics of the CDO's assets, preparing monthly reports as specified in the indenture, executing purchases and sales of the CDO's assets (subject to their determination that the eligibility criteria are satisfied), assisting the accounting firm in its periodic review of the CDO and notifying High Perch of any information that would affect the CDO (e.g. legal notices). All CDO assets are held by the trustee for the benefit of the CDO's debt- and equity-holders and all payments to and disbursements from the CDO are executed by the trustee pursuant to the indenture.

Upon closing, upon "ramp-up completion" and periodically thereafter (generally in connection with each CDO payment date), the accounting firm performs agreed-upon procedures verifying certain characteristics of the CDO assets and payments to be made by the CDO. Finally, each rating agency that provides a rating for a CDO security at closing is generally asked to confirm such rating at "ramp-up completion" and periodically thereafter.

Pursuant to the sub-advisory agreement, Harding Advisory, which is supervised by Wing Chau, reviews all reports issued by the trustee for each CDO on a regular basis and at least monthly. The reports issued by the trustee/collateral administrator are generally accessible to CDO investors via the trustee's website. High Perch or its designated sub-adviser, Harding Advisory, performs surveillance (e.g. tracking of asset performance) on all the CDO's assets on at least a monthly basis. In addition, High Perch is required to provide periodic certification as to compliance by the CDO with certain matters in the indenture. Additional reviews may be triggered by material changes in the market or the economic environment.



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

High Perch may from time to time utilize third-party placement agents who receive compensation, which may be borne either by High Perch or by the investor, for referring investors to the other investment vehicles managed or sub-managed by High Perch.

**Item 15 – Custody**

High Perch does not have custody of client funds or securities. Clients should receive at least quarterly statements from each CDO's trustee, a qualified custodian, who hold and maintain the client's investment assets.

## **Item 16 – Investment Discretion**

High Perch has been provided in the primary collateral management agreements the authority to determine without obtaining client consent the securities to be bought or sold and the amount of securities to be bought or sold. There are no limitations on this authority.

The management agreements and/or sub-advisory agreements provide (or are expected to provide) that High Perch may aggregate sales and purchase orders of securities with respect to the CDOs with similar orders being made simultaneously for other accounts managed by High Perch and Harding Advisory, if High Perch in its sole discretion determines such aggregation shall (i) result in an overall economic benefit to the issuer of the CDOs or (ii) not have a materially adverse effect on the CDO, in each case taking into consideration the advantageous selling or purchase price, brokerage commission and other expenses.

If a sale or purchase of a collateral debt security, eligible investment or equity security (in accordance with the terms of the relevant indenture) occurs as part of any aggregate sale or purchase order, Harding Advisory (as sub-adviser) will allocate the executions among the relevant accounts utilizing a pro-rata method.

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

Where applicable, High Perch votes proxies in the interest of maximizing value for its clients. To that end, High Perch endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause investments to increase the most or decline the least in value.

Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote.

High Perch is responsible for voting the proxies in the best interest of its clients and submitting the proxies promptly and properly. Our complete proxy voting policy and procedures are available for investors to review upon written request to High Perch's Chief Compliance Officer.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about High Perch’s financial condition. High Perch has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.