

**RISK PREMIUM INVESTMENT MANAGEMENT COMPANY LLC**

**PART 2A OF FORM ADV: FIRM BROCHURE**

**Risk Premium Investment Management Company LLC  
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New York, NY 10017**

**June 2, 2016**

**This brochure provides information about the qualifications and business practices of Risk Premium Investment Management Company LLC (“RPIMco” or the “Firm”). If you have any questions about the contents of this brochure, please contact James Rankin, the Firm’s Chief Compliance Officer at (212) 321-1900 or [jrankin@rpimco.com](mailto:jrankin@rpimco.com). 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. Any reference to RPIMco as a registered investment adviser does not imply a certain level of skill or training.**

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

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***Item 2: Material Changes***

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This brochure contains important information about RPIMco, and is intended to provide potential and existing clients with an overview of the Firm and its services. RPIMco may, at any time, update this brochure and either send or offer to send a copy to existing clients (either by electronic means or in hard copy form).

The information below is a summary of only the material changes to this brochure since the initial filing of RPIMco's Form ADV, dated March 5, 2015.

As of October 2015, RPIMco amended Item 4 to report the removal of Melissa Hieger and the addition of James Rankin and Todd Groth as owners of the Firm. Further, RPIMco has appointed Mr. Rankin as Chief Compliance Officer.

As of June 2016, RPIMco amended Item 4 to reflect the addition of Christopher Campisano as an owner of the Firm.

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*Item 3: Table of Contents*

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***Item 4: Advisory Business***

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**Item 4.A.**

Risk Premium Investment Management Company LLC (“**RPIMco**” or the “**Firm**”), a Delaware limited liability company, was formed in July 2014. Maarten Nederlof is the principal owner of the Firm, along with Elaine Lloyd, Jill Nederlof, Trevor Nederlof, James Rankin, Christopher Campisano and Todd Groth.

**Item 4.B.**

RPIMco’s objective is to combine risk premium index strategies offered by the cross-asset index groups or major investment banks to provide absolute return investments and overlay strategies. The Firm does not intend to limit its investment advice to only certain types of investments.

**Item 4.C.**

The Firm provides advisory services to clients pursuant to the relevant strategy. Such services can be customized based on the specific needs of each client. The customized services offered to each client are based on asset class, return expectations, tolerance for risk and volatility, and the need for liquidity of each client.

**Item 4.D.**

RPIMco currently does not participate in a wrap fee program, although it may in the future.

**Item 4.E.**

As of December 31, 2015, RPIMco managed approximately \$1,170,000,000 in regulatory assets under management on a non-discretionary basis. This is the most recently available valuation of RPIMco’s non-discretionary account, as provided on quarterly basis by the client. As of February 29, 2016, RPIMco managed approximately \$402,176,000 in regulatory assets under management on a discretionary basis.

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***Item 5: Fees and Compensation***

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**Item 5.A.**

The Firm will receive from its clients a management fee that is based on assets invested in the model portfolios it offers as a strategy provider. The Firm may also receive a performance fee or incentive allocation, pursuant to the specific agreement with each client.

**Item 5.B.**

Client fees are invoiced by RPIMco and paid either by the client or by the administrator to that client. For further fee information, clients are encouraged to review their individual agreement with RPIMco.

**Item 5.C.**

Clients should be aware that they may incur certain expenses with respect to the purchase, sale or transmittal of assets. For further description of these costs, clients are encouraged to review thoroughly their investment management agreement and/or relevant offering memorandum, as applicable.

**Item 5.D.**

Pursuant to their specific investment management agreement, certain clients are required to pay management fees in advance. Should the client choose to terminate the management agreement before the end of a particular billing period, RPIMco would determine the client's refund based upon the specific agreement between such client and the Firm.

**Item 5.E.**

Not Applicable.

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***Item 6: Performance-Based Fees and Side-by-Side Management***

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RPIMco charges a performance-based fee to certain clients. RPIMco recognizes the potential conflict of interest in charging a performance-based fee and addresses this by maintaining allocation policies and procedures designed to confirm that all clients are treated fairly.

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***Item 7: Types of Clients***

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RPIMco provides investment management services to institutional investors through privately offered risk premium strategies, which may be employed either through a separately managed account structure or through a privately offered fund vehicle. The institutional investors may include, but are not limited to, pensions, endowments, foundations, sovereign wealth funds, defined contribution plans, 401k funds, insurance companies, registered investment companies such as mutual funds and ETF sponsors.

RPIMco may also serve as a sub-adviser or consultant for certain investments.

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

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**Item 8.A.**

RPIMco uses mathematical and statistical investment processes to allocate assets, select strategies and construct portfolios and funds in ways that seek to outperform their relevant benchmarks. The Firm researches, sources and assembles strategies across equities, fixed income, foreign exchange and

commodity markets, which fall into seven major risk premium categories: volatility, term, credit, FX carry, value/growth, small cap and momentum. These strategies can be combined to deliver a variety of investment products from multi-strategy absolute return products (which combine a set of strategies designed to have low correlations between them) to overlay products that should enhance asset-class investments, such as enhanced equities and enhanced commodity portfolios.

The Multi-Asset Premium Portfolio is a total return product which targets returns similar to the long-term average returns of equity markets with a lower volatility and low correlations to traditional equity benchmarks. This strategy seeks to profit from speculative trading. RPIMco pursues this investment objective by aiming to provide exposure to several investment and trading strategies designed to explicitly earn market and strategy risk premia (returns available to investors that are willing to take on exposures and risks other investors are unwilling or unable to take on due to behavioral, regulatory and policy constraint or because these risk premia are difficult to harvest using indirect means). Through this strategy, RPIMco seeks exposure to a combination of strategies and attempts to generate positive returns over time by investing in multiple strategies which, as a portfolio, are intended to perform well in most equity market and bond market regimes.

The Firm will adjust strategies so that they meet a target risk level, using historical information, particularly recent historical performance, and test the strategies in different market environments, as needed.

#### **Item 8.B and Item 8.C.**

The strategy employed by RPIMco is offered only to clients and investors willing and able to bear the economic risks of the investments made within such strategy, as it is speculative and involves a risk of total loss. There is no assurance that the investment strategy will be profitable. The profitability of a significant portion of the investment program depends to a great extent on correct assessments of the future course of the price movements of securities and other investments. The relevant markets may be subject to great volatility and unpredictability. Additionally, the transactions costs relative to this strategy may change, which may cause a reconstruction of the portfolio, ultimately affecting the ability of RPIMco to meet the strategy's investment objectives. Clients and investors should also be aware of the illiquidity of many investments in which this strategy participates.

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#### ***Item 9: Disciplinary Information***

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RPIMco or its supervised persons have no reportable disciplinary events to disclose.

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

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##### **Item 10.A.**

Not Applicable. RPIMco is currently not applying to register as a broker-dealer and does not intend to.

**Item 10.B.**

RPIMco is currently registered as a commodity trading advisor with the U.S. Commodities Futures Trading Association (“**CFTC**”) and is an approved member of the National Futures Association (“**NFA**”). In addition, certain of RPIMco’s management persons are considered associated persons of the same.

**Item 10.C.**

Risk Premium Investment Managing Member LLC (the “**Managing Member**”), a related person of RPIMco, is registered as a commodity pool operator with the CFTC and is an approved member of the NFA. Such relationship solely exists for the purposes of facilitating the advisory services RPIMco provides to its private fund client.

**Item 10.D.**

RPIMco and its supervised persons may select other investment advisers to act as sub-adviser to its clients.

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

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**Item 11.A.**

Employees of RPIMco may only purchase and sell securities in accordance with the Firm’s Code of Ethics to which all employees are subject. This policy is monitored by the Chief Compliance Officer. Employees are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics includes the following:

- Statement of the standard of business conduct.
- Limits on gifts and entertainment.
- Limits on political contributions.
- Limits in transacting, directly or indirectly, in the securities being traded within the RPMICO strategies.
- Requirements to pre-clear any purchases or sales of securities through the Chief Compliance Officer for personal accounts.
- Requirements regarding the reporting of personal holdings.
- Requirement to acknowledge, in writing, having received and read a copy of the Code of Ethics at least annually.
- Requirement of prior approval of the Chief Compliance Officer for any exceptions to stated Firm policies.

A copy of the Firm’s Code of Ethics is available to clients and prospective clients upon request.

**Items 11.B through Item 11.D.**

RPIMco, as a fiduciary, endeavors to make decisions in the best interests of its advisory clients should a conflict of interest arise. It is noted that the CCO having an ownership interest in the Firm could pose a

conflict of interest. The Firm has in place written policies and procedures incorporating controls to address such potential conflicts of interest.

### ***Item 12: Brokerage Practices***

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#### **Item 12.A.1.**

RPIMco may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. The Firm will select appropriate brokers based on a number of factors including but not limited to transaction fees, execution capability, depth and liquidity of the market for a security, reporting ability and research. Research furnished by brokers may include, but is not limited to: research reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment and other computer hardware for use in running software used in investment decision making; and other products or services that may enhance the Firm's investment decision making.

#### **Item 12.A.2.**

RPIMco does not intend to participate in selecting or recommending broker-dealers in exchange for client referrals.

#### **Item 12.A.3.**

Where a client directs RPIMco to use a certain broker-dealer, RPIMco still has a fiduciary duty to its clients. In a directed brokerage arrangement the Firm will be unable to negotiate commissions or obtain volume discounts, and there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.

#### **Item 12.B.**

RPIMco cannot aggregate trades based on the type of investments the Firm recommends to its clients.

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

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RPIMco's recommended portfolios, underlying holdings, and overall portfolios are reviewed daily, quarterly and annually. A holding may be removed from the portfolio if it no longer meets the basic criteria for inclusion.

RPIMco may provide periodic reporting, as agreed upon with each individual client. This reporting may include, among other items, details regarding performance, holdings, and/or valuation.



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

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**Item 14.A.**

Not applicable. No economic benefit is currently provided to RPIMco for providing investment advice, other than its management fees and/or performance fees, as agreed upon with the individual client.

**Item 14.B.**

Not Applicable. The Firm currently does not retain third-party marketers or solicitors.

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***Item 15: Custody***

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RPIMco is deemed to have custody of the assets of its private fund client as its affiliate, the Managing Member, which is under common control with RPIMco, acts as the managing member to such fund. RPIMco complies with all necessary aspects of the Custody Rule, as applicable, in respect of the fund.

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***Item 16: Investment Discretion***

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The Firm intends on managing client accounts on both a discretionary and non-discretionary basis pursuant to client's preference and executed Advisory Agreement..

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***Item 17: Voting Client Securities***

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The Firm does not vote proxies on behalf of any client at this time.

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***Item 18: Financial Information***

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**Item 18.A.**

Not Applicable.

**Item 18.B.**

There are no conditions that impair RPIMco's ability to meet its contractual and fiduciary commitment to the client accounts.

**Item 18.C.**

Not Applicable. RPIMco has not been the subject of a bankruptcy petition at any time during the past ten years.