

## **BROCHURE OF**

# **ASYMMETRY CAPITAL MANAGEMENT, L.P.**

A Delaware limited partnership registered with the U.S. Securities and Exchange Commission as  
an Investment Adviser  
CRD# 269947

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ASYMMETRY CAPITAL MANAGEMENT, L.P. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (415) 801-4606 OR CZELLNER@ASYMMETRYCAPITAL.COM.**

**THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY. REGISTRATION OF AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

**ADDITIONAL INFORMATION ABOUT ASYMMETRY CAPITAL MANAGEMENT, L.P. IS ALSO AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

The delivery of this brochure (the “Brochure”) at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about the Firm.

**Material Changes**

There have not been any material changes since the last update of this Brochure dated November 9, 2015.

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## **ADVISORY BUSINESS**

Asymmetry Capital Management, L.P. (the “Firm”) is a Delaware limited partnership, which was formed on June 17, 2015. Scott C. Kay is the founder, principal owner and Chief Investment Officer (“CIO”) of the Firm. Mr. Kay is also the manager of the Firm’s general partner, *curis cognitio*, LLC, and the manager of ACM HC, LLC, the sole limited partner of the Firm.

The Firm currently provides investment management services to a mini-master fund structure consisting of Asymmetry Global Healthcare (Master) Fund, L.P. (the “Master Fund”), a Cayman Islands limited liability partnership and Asymmetry Global Healthcare (Offshore) Fund, Ltd., a Cayman Islands exempted company (the “Offshore Feeder Fund” and together with the Master Fund, the “Offshore Funds”). The Firm also provides investment management services to Asymmetry Global Healthcare Fund, L.P., a Delaware limited partnership (the “Onshore Fund,” and together with the Offshore Funds, the “Funds”). Each are private fund clients, which in turn are offered exclusively to sophisticated investors. Investors in the Onshore Fund and the Offshore Funds are accredited investors (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended) and qualified clients as defined in Rule 205-3, promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Additionally, investors in the Offshore Funds are also qualified purchasers as defined under the Investment Company Act of 1940, as amended.

As of December 31, 2015, the firm managed approximately \$105,169,649 in client assets, all on a discretionary basis.

## **FEES AND COMPENSATION**

The Firm generally charges the Master Fund and the Onshore Fund a management fee on a monthly basis. The management fee equals 0.15% (1.75% annually) of assets under management of each of the Master Fund and the Onshore Fund. Lower management fees may also be negotiated at the Firm’s discretion. The general partner of the Master Fund and the Onshore Fund generally receives performance-based compensation on an annual basis equal to 20% of the performance of the Master Fund and the Onshore Fund. All management fees and performance-based compensation are calculated pursuant to the governing documents of the relevant fund.

The Firm bears its own operating, administrative and overhead expenses, including salaries, wages, rent, equipment and other overhead expenses.

Each of the Onshore and Offshore Feeder Funds pays, or reimburses the Firm for the following expenses:

- Ongoing costs and expenses of administering the Fund’s business, including, without limitation, custodial fees, auditing, accounting and tax preparation fees, governmental fees and taxes, ongoing legal expenses, costs of reporting to investors, costs of governance activities, and fees paid to any third-party administrator and bookkeeper;

- Expenses and costs of investment and trading, including brokerage commissions, interest on borrowings, and charges on securities sold short; and
- Expenses of offering and selling the Fund's interests.

The Offshore Feeder Fund also bears indirectly its pro rata share of the expenses of the Master Fund as an investor in the Master Fund.

*In all cases, details concerning applicable fees and expenses are set forth in each respective client's limited partnership agreement, limited liability company operating agreement, investment management agreement, and/or prospectus. The information contained herein is a summary only and is qualified in its entirety by such documents.*

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

A performance-based compensation arrangement may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of such performance compensation. To the extent the Firm values any securities or instruments held by a Fund, it has a conflict of interest as the Firm will receive higher management and performance fees if it gives such securities and instruments a higher valuation. The Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the relevant Fund, depending on the specific time periods and the nature of any preferred returns. Where any part of the Firm's compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, the Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently.

The Firm does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance-related fees charged by other investment advisers under the same or similar circumstances. The performance compensation charged by the Firm may be higher or lower than the performance compensation charged by other investment advisers for the same or similar services.

Specific details regarding any performance-based compensation are set forth in each respective client's investment management agreement or relevant private placement memorandum.

## **TYPES OF CLIENTS**

As discussed in the **Advisory Business** section above, the Firm currently provides investment management services primarily to private investment funds, which in turn are offered exclusively to sophisticated investors. Although the Firm generally seeks minimum account commitments from its investors/clients of US\$ 1,000,000, it can waive such minimums in its discretion.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Each strategy employed by the Firm has its own set of risks, but in all cases, the Firm's strategies involve a risk of loss that clients should understand and be prepared to bear.

The Firm may provide investment management services to funds and may also manage other accounts and/or establish other private investment funds in the future.

The Firm will attempt to achieve positive absolute returns in all market conditions through investment and trade in a diversified portfolio of global healthcare and healthcare related companies across multiple healthcare sectors and market capitalizations. The Firm will primarily buy, sell (long or short), hold and trade in equity securities that are traded in U.S. and non-U.S. public markets based upon fundamental analysis. The Firm intends to invest globally in companies of all market capitalizations primarily through investments in equity securities, American Depositary Receipts (ADRs), U.S and non-U.S. listed options, total return and equity swaps (including basket), and exchange-traded funds (ETFs). While it is not the primary focus of the Firm's investment strategy, it may also invest in long or short positions in equity futures, swaps, notes, bills, warrants, futures, rights, derivatives, fixed income assets and other securities or assets. The Firm may trade non-U.S. currencies for the purpose of hedging foreign exchange exposures. The Firm may utilize leverage to achieve its investment objective. In the future, the Firm may use its experience and knowledge in healthcare to broaden its investment opportunities.

The Firm intends to implement its investment objective through deep-dive fundamental research capitalizing on the experience and expertise of the research team led by Scott C. Kay. The Firm will seek to identify individual asymmetric investments representing out of consensus, high conviction, fundamental long and short positions. An asymmetric investment is one that the Firm considers to have a greater potential for positive return than the risk of loss. Short selling is intended to be an important component of the Firm's investment strategy.

The Firm's investment strategy may also include foreign securities, options, making private investments in public entities and the use of leverage, as further set forth in the relevant Fund's private placement memorandum.

***General Investment and Market Risks.*** There can be no guarantee of the success of the Firm's investment strategy and the Funds' activities may be significantly and adversely affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Funds' investments. Unexpected volatility or illiquidity could impair the Funds' profitability or result in losses.

The Funds' investments may have limited liquidity. In addition, the Funds may invest in a limited number of securities and instruments, and as a consequence, the aggregate returns realized by the investors may be substantially adversely affected by the unfavorable performance of a small number of such investments. If the Firm elects to concentrate a Fund's investments in a particular area or region, the Fund's portfolio then will become more susceptible to fluctuations in value resulting from adverse economic conditions affecting that particular area or region.

**Equity Securities.** Publicly traded equity securities are subject to equity market risk. This is the risk that stock prices will fluctuate and can decline and reduce the value of a Fund's portfolio. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be pronounced. The equity securities acquired by a Fund may fail to appreciate and may decline in value or become worthless.

**Options.** The trading of options is highly speculative and may entail more risk than those present when investing in other securities. Prices of options are generally more volatile than prices of other securities. Purchasing options would allow a Fund to speculate on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying the option. A change in the market price of the underlying securities or underlying market index will cause a much greater percentage change in the price of the option contract. In addition, a Fund will lose the premium it paid to purchase an option if the Fund does not sell or exercise the option. If a Fund sells options and must deliver the underlying securities at the exercise price, the Fund has a theoretically unlimited risk of loss if the price of the underlying securities increases. If a Fund must buy the underlying securities, the Fund risks the loss of the difference between the market price of the underlying securities and the exercise price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

**Short Sales.** Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. Because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities can result in a loss. It may be impossible for a Fund to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. In addition, rules that prohibit short sales of securities at prices below the last sale price may prevent a Fund from executing short sales of securities at the most desirable time. If the prices of securities sold short increase, the Fund may be required to provide additional funds or collateral to maintain the short positions. This could require the Fund to liquidate other investments to provide additional margin, and those liquidations might not be at favorable prices. In other situations, the lender of securities can request return of the borrowed securities and the Fund may not be able to borrow those securities from other lenders. This would cause a "buy-in" of the short positions, which may be disadvantageous to the Fund. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in the inability of a Fund to cover the short position, and of theoretically unlimited potential for loss to the Fund's accounts.

**Leverage.** Leverage may result from certain transactions, including the use of derivatives, borrowing and reverse repurchase agreements. Leverage may exaggerate the effect of a change in the value of a Fund's portfolio securities, causing the Fund to be more volatile than if leverage was not used. A Fund may, but is not required to, reduce leverage risk by either segregating an equal amount of liquid assets or "covering" the transactions that introduce such risk. Leverage

also may be embedded within a particular security, based on the issuer's capital structure. The Fund intends to utilize leverage to achieve its investment objective.

*A more complete discussion of the investment strategy and risks involved is contained in the relevant private placement memorandum for the Funds and should be read carefully. The Firm's investment strategy involves a risk of loss that investors/clients should understand and be prepared to bear.*

## **DISCIPLINARY INFORMATION**

The Firm is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of the Firm or the integrity of the Firm's management team. The Firm does not have any legal or disciplinary information to disclose at this time.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Firm is neither registered, nor has any applications pending, with a broker-dealer.

The Firm and its management persons are neither registered, nor do they have any applications pending, as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or as an associated person of the foregoing.

The Firm and/or its management persons have no relationships or arrangements with other firms that are material to its advisory business, other than those disclosed under "ADVISORY BUSINESS" on page 1 above.

The Firm does not intend to recommend or select other investment advisers.

## **CODE OF ETHICS AND PERSONAL TRADING POLICIES**

Consistent with the Advisers Act, the Firm maintains a code of ethics, which includes policies regarding the trading of securities in personal brokerage or similar accounts by its principals and employees. The code restricts the Firm's principals, members and employees from maintaining or trading in such accounts and establishes that any activity that either abuses confidential knowledge about client accounts or attempts to profit at their expense is considered an abuse of the foundation of trust upon which the Firm's business is built and is strictly prohibited. All the Firm's employees are required to submit annual reports on all securities holdings and quarterly reports on all security transactions in accounts controlled either directly or indirectly (although certain exceptions apply). Submitted reports are reviewed by the chief compliance officer ("CCO") or a delegate. Violations of policy may be punishable by sanctions including fines and termination of employment.



## **BROKERAGE PRACTICES**

The Firm has discretion over the selection of brokers used for securities transactions in its private fund clients' accounts. Where the Firm has such discretion, its selection of brokers will take into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available brokerage and research products and services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the other selection criteria.

### ***Soft Dollar Benefits***

The term "soft dollars" refers to the receipt by an investment manager or adviser of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's clients. Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain brokerage and research products and services. Brokerage products and services must relate to the execution, clearance and settlement of trades. Research products and services must provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities. The Firm will only use soft dollars within the safe harbor afforded by Section 28(e) of the Exchange Act.

If applicable, the use of brokerage commissions to obtain investment research services and to pay for the Firm's administrative costs and expenses creates a conflict of interest between the Firm, on the one hand, and its clients, on the other, because the investor/client pays for such products and services that are not exclusively for the benefit of the investor/client and that may be primarily for the benefit of Firm or other investors/clients.

## **REVIEW OF ACCOUNTS**

Client accounts are reviewed by the CIO and CCO on a daily, monthly or a quarterly basis, depending on activity in the account and the frequency of client reporting. Investors in the Firm's private funds receive written statements containing individual net asset values on a monthly basis from the independent fund administrator, as set forth in the terms of the relevant private placement memorandum or partnership or limited liability company agreement.

## **CLIENT REFERRALS**

The Firm may enter into arrangements with unaffiliated third parties whereby compensation is paid for referring clients or investors. Generally, these payments are based on a percentage of management fees, performance-based fees, or some combination thereof, earned by the Firm

with respect to such client or investor. Because such arrangements contain inherent conflicts of interests between the referring party, on the one hand, and the client/investor, on the other, the Firm requires documentation that these conflicts have been disclosed and consented to by clients.

## **CUSTODY**

The Firm and/or its affiliates are deemed to have custody of the assets of the Funds. Fund assets are maintained at a broker-dealer, bank or other qualified custodian. To ensure compliance with the custody requirements under the Advisers Act, the Firm will send audited financial statements, prepared in accordance with GAAP, to each Fund investor within 120 days after such Fund's fiscal year end.

## **INVESTMENT DISCRETION**

As an investment adviser, the Firm generally has discretionary authority over clients' accounts to determine securities bought and sold and in what quantities, the amount of leverage employed, the broker-dealer used and the commission rates to pay, among other things. The specific terms of the scope of such investment discretion is detailed in the relevant account's investment management agreement.

## **PROXY VOTING POLICY**

Consistent with the Advisers Act, the Firm has adopted a proxy voting policy that is guided by its fiduciary responsibilities and commits its principals and employees to vote in a manner which is believed to do the most to maximize shareholder value and to never prioritize unrelated objectives.

Prior to voting any proxies, the CIO and CCO will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, they will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not.

If no material conflict is identified pursuant to these procedures, the CIO or his designee will vote the proxy. The Firm also has the flexibility to abstain from a particular proxy vote when it is determined to be in the best interest of the clients.

If a conflict is identified and deemed "material," the Firm will determine whether voting in accordance with the following proxy voting guidelines is in the best interests of affected clients. With respect to material conflicts, the Firm will determine whether it is appropriate to disclose the conflict to the affected investors and give investors the opportunity to vote the proxies in question themselves (except that if the client is subject to the requirements of ERISA, and an ERISA investor has, in writing, reserved the right to vote proxies when the Firm has determined that a material conflict exists that does affect its best judgment as a fiduciary to the Fund, the Firm will (a) give the ERISA investor the opportunity to vote the proxies in question themselves or (b) follow designated special proxy voting procedures related to voting proxies pursuant to the

terms of the written agreements with such ERISA investors (if any)). The Firm may also delegate the voting decision for such proxy proposal to an independent third party.

Proxy votes are reviewed by the CCO (or a delegate) for adherence to this policy.

## **FINANCIAL INFORMATION**

The Firm does not require or solicit prepayment of management fees six or more months in advance. The Firm has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, the Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

For questions or requests for additional information, please contact the CCO at the number or address listed on the cover of this brochure.