

PETER KIMMELMAN ASSET MANAGEMENT LLC

800 Third Avenue, Suite 3100

New York, New York 10022

telephone: 212-223-7373

fax: 212-223-8212

pkimmelman@pkassetmgt.com

24 March 2020

This brochure provides information about the qualifications of Peter Kimmelman Asset Management LLC (PKAM, we, us). If you have questions about the contents of this brochure, please contact us at 212-223-7373. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the SEC) or by any state securities authority. PKAM is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

TABLE OF CONTENTS

TOPIC	PAGE
Advisory Business	2
Risk Management and Controls	2
Fees and Compensation	6
Performance-Based Fees and Side-By-Side Management	7
Types of Clients	7
Disciplinary Information	8
Other Financial Industry Activities and Affiliations	8
Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	8
Brokerage Practices	9
Review of Accounts	10
Client Referrals and Other Compensation	10
Custody	11
Investment Discretion	11
Voting Client Securities	11
Financial Information	12
Brochure Supplement	12

Advisory Business

Peter Kimmelman Asset Management LLC (PKAM) was established (as a predecessor entity) in 1979 and became a New York State limited liability company in 1996. The principal owner is Peter Kimmelman, with minority non-operating ownership interests held by his wife, his daughter, and his son. PKAM provides investment supervisory and advisory services to our clients, including both nondiscretionary and discretionary advisory services. For discretionary accounts, we provide ongoing supervisory and management services with respect to the account. For non-discretionary accounts, we provide continuous oversight of existing investments, make recommendations based upon the needs of the client and, if such recommendations are accepted by the client, we arrange for or effect the purchase or sale of the recommended securities or other investments. PKAM also provides general advice about investments and relevant news to clients on an individual basis from time to time as appropriate, and without fee or other additional charge. Advice is offered to clients predominantly in the area of alternative investments, which include hedge funds that invest in hedged long/short, relative value, distressed, and other hedged strategies, private equity funds, long only and lastly, and funds of funds.

As of 31 December 2019, PKAM manages a total of approximately \$661,813,000 of client assets, which is divided between 38 percent discretionary accounts totaling approximately \$248,230,000 and 62 percent non-discretionary accounts totaling approximately \$413,583,000.

PKAM takes a totally individualized approach to its clients, creating a completely customized portfolio for each one. We interview each client in depth and construct each separate portfolio to respond specifically to the client's mandate in terms of its investment objectives, risk and volatility tolerances, liquidity needs, yield objectives, time horizons, and general outlook.

Risk Management and Controls

Each PKAM client portfolio is constructed to respond specifically to that particular client's mandate. We wish, therefore, to develop at the onset with each client an understanding covering the following parameters:

- a) downside risk tolerances;
- b) volatility parameters;
- c) liquidity needs in terms of percent required to be available within three months, six months, one year;
- d) targeted objectives of investment program;
- e) envisioned time horizons to measure and accomplish articulated investment goals;
- f) client's tax circumstances.

Customized to implement and express the client's desires as set forth above, each account is designed to give consideration to the following categories, with the ideal guidelines indicated, subject to revision following discussions with each client to accommodate other factors:

- 1) Diversification: As we do not pretend to be able to foresee market movements, we believe that it is important to assure a highly diversified portfolio, comprised of at least twenty managers, with the maximum position size of under 10%, an average position size of approximately 5%-6%, and some starter position sizes ranging from 0.75% to 2%.
- 2) Manager Size: To be considered for inclusion, vehicles must have at least \$250 million under management, of which PKAM clients should account for no more than 5%. This will ensure that redemptions on our part will not force the manager to "fire sale" holdings or activate gate provisions, prolonging the withdrawal process.
- 3) Manager Qualifications: Manager must have at least six years of experience, with a three-year transportable record, including experience in shorting. The manager should have a significant portion of his own liquid net worth invested in the vehicle.
- 4) Bias Against Certain Sectors: Commodities trading advisers and macro global managers should be excluded, unless there is a specific directive to the contrary from the client. Where a client raises the issue, we explain that those styles inherently defy our ability to be familiar with the underlying portfolios and correlations with other managers.
- 5) Portfolio Concentrations: We wish to de-emphasize and limit allocations to vehicles with concentrated portfolios carrying top ten positions over 65%, top ten short positions over 25%, and industry concentrations over 35%.
- 6) Leverage: We closely evaluate the leverage in different sectors of absolute return managers, and for hedged equity, we view cautiously managers who run gross exposures greater than 250% or net long exposures greater than 70%.
- 7) Service Providers: Underlying prime brokers, administrators and accountants should be of "household familiarity." If not, then PKAM will scrutinize such service providers with much more caution.
- 8) Quantitative analysis is definitely useful in providing insights into the manager's capabilities but, in our opinion, it is primarily and ultimately the qualitative assessment of being invested in established managers who have been able to demonstrate over a significant period of time an ability to make

money on both the long and short sides that is more important. Generating alpha is one of the key characteristics of a talented manager.

- 9) Fund's Investor Base: Knowledge of the underlying beneficial ownership in the particular fund under review is essential. We feel so much more comfortable with the manager himself having a high percentage of his own liquid net worth invested in the Fund on a pari-passu basis and that holding being among the largest investors. We wish to understand, as well, the Fund's sourcing of its capital. Is there a mismatch between the underlying liquidity of invested assets versus the redemption rights of the holders? Is the capital structure such that the manager might be forced to fire-sale assets under terms that would be disadvantageous to remaining holders? Conversely, are the lock-up provisions unduly onerous, thereby prolonging unjustifiably our ability to withdraw?
- 10) Non-Correlation: In constructing or modifying portfolios, we wish to understand the possible correlation of proposed managers with the objective of seeking *non*-correlation. We are in fact saying that we cannot see into or project the future. In our experience, economics change and markets move too rapidly to predict successful market direction. Therefore, we do not intend to place outsized bets on specific industries or variables such as interest rates, exchange rates, etc. In doing so, we are conceding that it is virtually impossible for all of our vehicles to be performing well at one time. In fact, uniformly good or poor performance throughout a PKAM portfolio is usually an indication that the markets are at an extreme point (on either the high side or the low side) and may be due for reversal.
- 11) Compounding by Preservation of Capital: The cardinal principle of PKAM portfolio management is the power and importance of compounding positive returns over time. To work its magic, compounding depends upon preservation of capital, which in turn depends on minimizing overall draw-downs as much as possible.
- 12) Manager Turnover: Our historical turnover of managers has run approximately 15% per year. This longer term commitment to managers has served us well, as exemplified by our commendable longer term results, which are generally well above the commonly used indexes. We stress to potential clients that they should look elsewhere if their inclination is to "cut their losses" after one to three months' negative returns. We believe that an expectation of generating positive returns virtually every month is not realistic.
- 13) Due Diligence: Having concentrated almost exclusively in the alternatives area since 1991, we believe that we have formed a judgment of many players within the field and possess a deep as well as current knowledge of that landscape and population. If the vehicle is known to PKAM but not in the portfolio at that time, our due diligence would consist of refresher interviews.

The amount of due diligence required when investing with a new fund is very much a function of our general familiarity with the particular field or niche in which that fund operates. If we are familiar, then due diligence consists of reading the manager's presentations, due diligence questionnaire, three years of partners' letters, and audited financial statements, analysis of the alpha generation record, followed by intensive interviewing of the principal managers. At the very minimum, an on-site visit to the manager in his own facilities is required. We invite participation of all members of the PKAM staff at that intensive interview. In preparing for that, we will subject all of the managers' returns to analysis, in terms of attribution of long and short exposures, analysis of top ten longs, avoidance of concentrated big bets, degree of non-correlation, growth of capital under management, analysis of tax efficiency (for our domestic accounts), peer review versus managers pursuing similar strategies, ascertaining possible drifts of management style, etc., etc. If we are not familiar with the manager's field or niche, our due diligence as outlined above would be supplemented by similarly getting to know comparable managers pursuing the same strategies in addition to the targeted manager.

- 14) Monitoring: We monitor our clients portfolio managers absolute and relative performance to peer competitors on a monthly basis. We do not believe that it is in our long-term interests to intrude upon the managers for "weather checks." Managers favor us as a firm that represents long-term, stable investors, and because we are known to be sophisticated, knowledgeable asset allocators who do not require hand-holding. Therefore, we see no point in taking up their time needlessly. They should be focused entirely on running their respective portfolios. However, given our philosophy of management by exception, we will immediately investigate if we see deviations from the expected range. This is just as important when returns are abnormally high as when they are disappointingly low. We need to gain an understanding as to what is actually happening.

We generally revisit our managers on-site once or twice a year and follow up with an evaluation memorandum by the specific PKAM analyst assigned to follow that manager, coupled with a photocopy of the handwritten notes of other PKAM professional staff members who participated in the review.

- 15) Crosschecks: One of the useful sounding boards that we rely upon is our long-term friendship with representatives of some of the wealthiest families in America, with whom we meet periodically to share general views and ideas on a broad range of investment issues, including markets, managers, product offerings, and the impact of global political and economic changes on financial opportunities. We have found that excellent insights and productive follow-up ideas can often be obtained by participation in those discussions.
- 16) Pricing of Underlying Manager Portfolios: There is a general presumption that we are investing in highly established, reputable managers, who share with their outside investors a coincidence of economic interests, due to having large amounts of their own capital at stake on a pari-passu basis.

Nonetheless, it has been our observation that, when fraud materializes, it is often traceable to incorrect pricing of certain illiquid holdings in the underlying portfolio. Thus, it is essential to understand the processes by which a portfolio is priced. Assuming that the pricing has been outsourced to the fund's offshore administrator or independent third-party service provider, does that firm have a name of "household recognition"? If so, we will assume that that portion of the portfolio which is traded regularly on one or more major exchanges is free of error. However, if we do not recognize the name of the firm determining the priced portfolio and N.A.V, we need to understand the reasons for selection as well as that firm's history, size, capabilities, list of large clients for reference checking, etc., etc. Again, assuming that hurdle has been crossed, we focus on a portion of the portfolio which is not traded publicly and then explore in depth the specific methodologies and sources employed in determining the pricing of such securities. If there are claims that the portfolio manager himself is the best one to understand these securities well or, if that engagement of an outside pricing service is needlessly costly, we become wary. We need to pursue the issues to a natural conclusion in order to develop the requisite confidence in the accuracy of the fund's net asset value.

- 17) Liquidity: We at PKAM have a much higher comfort level with established managers who have demonstrated alpha generative skills for extended periods of time. Since that type of record often attracts a multitude of investors wishing to gain entrance to such a vehicle, the negotiating power switches to the manager. We need to evaluate the balance between the manager's justifiable need to assure stability of his capital base versus his natural desire to lock up capital for extended periods of time. We routinely accept one year lock-up periods, but we must evaluate carefully and skeptically the manager's need for more extended lock-up periods. Private equity excepted, lockup periods beyond 24 months are viewed with concern and should be accepted only with high caution. As part of our due diligence investigations, we must understand the liquidity of the manager's underlying portfolio. What amounts can be liquidated within 30 days without disrupting markets or depressing price levels? Similarly, what percentage of the portfolio is in trades that have natural durations of six, twelve or eighteen months? In starting a new relationship and maintaining it through the years, PKAM and that client need to articulate clear expectations of the overall liquidity of the underlying portfolio (i.e., what percent of the PKAM portfolio can be liquidated within various time periods in the future). Once adopted, compliance with those parameters needs to be verified annually.

Fees and Compensation

PKAM charges management fees for both individual and institutional accounts that are generally a percentage of assets under management and range from 0.75% to 1.50%. These fees are negotiable and vary by client and amount of service required. Payment for those fees is expected to be made when the fees are invoiced monthly or quarterly (as the case may be), in arrears, based on the value of the account at the end of the quarter.

Performance-Based Fees and Side-By-Side Management

The independent outside investors who are not PKAM clients, and certain PKAM clients in certain of the special-purpose LLCs that are invested solely in private equity funds pay performance-based fees based on distributions from those funds. Those fees range from 5% to 7.5% and were negotiated at the time the original investments were made. They are payable at the time such distributions are made, after investors have fully recovered their cost basis. We do not have any situations where certain PKAM clients pay performance-based fees on investments while other clients investing in the same or similar vehicles do not, so there is no side-by-side management of accounts. Performance compensation is charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended.

Types of Clients

The clients of PKAM fall into three primary categories: institutions; high-net-worth families; and pooled investment vehicles. These are structured either as a special-purpose Delaware LLC or as a Cayman Islands exempted unit trust.

The institutional clients are several offshore investment vehicles whose investment portfolios are structured, monitored, and modified on our recommendations. Each is a Cayman Islands exempted unit trust that is administered either from Cayman or from Hong Kong. The underlying beneficial owners of most of the units in these trusts are known to us and in fact asked us to assist them in setting up those offshore vehicles. There are other institutional unit-owners that are known to us only as account numbers administered by trustees as is mandated by Japanese law under which those unit owners are obligated to operate.

Advising high-net-worth families formed the original foundation of our professional practice and continues to be an important part of our business. Each such family may include individuals, trusts of various sorts, foundations or other charitable ventures, joint family investment vehicles, or other entities. Each such person or entity is a separate client of PKAM.

The special-purpose LLCs are pooled investment vehicles for a variety of individuals and entities, some of whom are Peter Kimmelman family-related and some of whom are unrelated clients. For those LLCs, the manager or managing member is Peter Kimmelman in his individual capacity.

Disciplinary Information

Neither PKAM nor any of its personnel has been the subject of any disciplinary events.

Other Financial Industry Activities and Affiliations

Robert M. Buxton, a Senior Financial Analyst and Executive Vice President of PKAM is a Chartered Financial Analyst. Mark Orenstein, the General Counsel and Chief Compliance Officer of PKAM, is a lawyer admitted to practice in New York State. The status of Messrs Buxton and Orenstein as noted does not create any material conflict of interest with any of our clients. Neither PKAM nor any of its personnel is engaged in any other financial industry activities or affiliations that create any material conflicts of interest with any of our clients.

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

We have a detailed Code of Ethics and will give you a copy if you ask for one. Each of our personnel must read the Code, understand it, and adhere to both its letter and spirit. When hired and then annually, all personnel must certify in writing to all those things. We take our Code of Ethics very seriously, as it sets down in clear language that we are here to serve our clients as fiduciaries, and that the needs and interests of our clients come first. Our Code sets the standards for how we conduct our business, what we must do, and what we may not do. It also sets down what may be done only if there is complete prior disclosure and permission granted.

PKAM expects all its personnel to act at all times with honesty, integrity, and professionalism, and to adhere to all applicable federal securities laws. We require that all personnel *not* do anything in any way or by any means that defrauds or deceives any client or prospective client or that in any way places the interests of PKAM or its personnel above the interests of its clients. We also periodically remind our personnel about the absolute illegality of insider trading, and we carefully guard against it. We take our obligation to detect and prevent insider trading very seriously and will not hesitate to take appropriate action against any personnel if any indication of possible insider trading is detected.

All personnel are required to submit an annual report to our Chief Compliance Officer (the CCO) listing all of that person's investment holdings, and to submit quarterly reports listing all changes in those holdings. These are scrutinized by the CCO for any evidence of insider trading and for conflicts of interest with our clients. The scrutiny of the CCO's own reports is done by the Managing Member of PKAM, Peter Kimmelman.

Conflicts of interest with our clients can exist in many situations. The most obvious ones that often repeat themselves involve investments that may be made by both the client and PKAM or its personnel, and investments that the client makes which benefit PKAM or its personnel. Where PKAM identifies an investment opportunity and recommends it to a client, that recommendation gains credibility and validity when Peter Kimmelman intends to commit his own personal money and that of his family interests in the same opportunity. If there is only limited capacity in that particular opportunity, the Kimmelman family interests (and those of PKAM personnel) may participate only after all clients are satisfied first, either by investing or actively declining to invest.

Where PKAM uncovers or is presented with investment opportunities that may be suitable for more than one of its clients, it evaluates the customized portfolio of each of its clients and considers the investment opportunity as a possible investment. Based on the desired profile and existing composition of each client portfolio as well as the perceived investment characteristics of the vehicle, PKAM determines which client portfolios would be suitable receptacles for the opportunity. After discussions with each such client, PKAM approaches the underlying fund manager to negotiate capacity. In the infrequent event that the manager of the fund that comprises the opportunity is unable or unwilling to accommodate all of the PKAM clients who have been thus identified, PKAM considers past situations and possible future situations in allocating fairly among the identified clients the total amount of investment fund capacity the fund manager for the investment opportunity is willing to extend. In doing this, PKAM endeavors to treat all clients equitably over time.

The pooled investment vehicles (described earlier) are operated by Peter Kimmelman as Manager and are clients of PKAM. On occasion, PKAM may permit certain long-term clients to participate in one or more domestic special-purpose LLCs alongside PKAM personnel and Kimmelman family interests. Here, as with the side-by-side investment opportunities, the conflicts are avoided through complete disclosure to clients and total transparency. Indeed, the conflict is turned into a benefit, where the client may feel more comfortable with an investment recommendation when the client knows that our interests are aligned with his. The client will probably conclude that we will be even more focused and attentive to that investment when our own financial interests lie there too.

Brokerage Practices

It is the nature of our investment advisory practice that we generally do not recommend securities that are bought through a broker, so we neither select nor recommend brokers to our clients, and we do not take soft dollars. In one specific instance an investment opportunity of the sort that we ordinarily recommend was available only as shares traded on the London stock exchange. In that instance, we found a broker here in New York who was able to trade in those shares in London and certain of our clients (for whom that opportunity was suitable) engaged that broker to trade in those shares. The

Kimmelman interests invested alongside those clients and continue to do so, with complete disclosure to the investing clients and transparency.

Review of Accounts

Peter Kimmelman, in coordination with the PKAM investment analysts, monitors all investment vehicles continuously, and reviews all client accounts whenever appropriate as a result of that monitoring, as well as monthly or quarterly (depending on the client) in advance of the issuance by PKAM of valuation statements and analysis reports. Interim account reviews would occur whenever the monitoring of a particular investment vehicle suggests a reevaluation of that vehicle in terms of its appropriateness for a specific client. The periodic account reviews (monthly or quarterly, depending on the client) include a review of each vehicle in each client's portfolio, the performance of that vehicle as a contribution to that portfolio, the balance (or imbalance) of the portfolio resulting from each vehicle's contribution, and a reassessment of the asset allocation in the portfolio.

Detailed account valuation spread sheets are provided monthly for institutional clients and quarterly for individual clients. Each is sometimes accompanied by a brief letter that includes attributions on each investment vehicle as well as on the portfolio as a whole, plus commentaries on reports issued by fund managers. Interim letters are sent whenever an interim account review (as noted above) indicates this is needed. As appropriate to the particular situation, interim letters may include an analysis of a recent development, or a commentary on some news event that might have future relevance to the client's portfolio. In addition, an interim letter may serve as a transmittal for an article from a newspaper, journal, or other source that may be relevant to the client or the client's portfolio

Client Referrals and Other Compensation

PKAM does not accept (and has never accepted) any economic benefit from any third party for providing any services to any of our clients. PKAM has ongoing correspondent relationships with Eiji Ono, a Japanese national who is resident in Tokyo, and with Sail Co., Ltd., a Japanese registered investment advisory company also resident in Tokyo. These independent consultants each provides liaison services with PKAM's Asian clients and entrée to other Asian institutions and high-net-worth families, and they supply insights into Asian matters. Where one of them is instrumental in securing a client account, PKAM compensates that consultant in accordance with a written agreement. Those solicitations and agreements are in accordance with the relevant solicitation rules in § 206(4)3 of the Investment Advisers Act of 1940, as amended. Full disclosure is made to the relevant client.

Custody

For our clients that are institutions and high-net-worth families, PKAM does not have custody of any client money or securities. For each of our special-purpose-LLC domestic clients, we maintain a separate checking account. These accounts are used to accumulate funds as they are received from the individual investing members of those LLCs, and then to send the total amount to fund the underlying investments in accordance with the combined instructions of the individual members. In reverse, the accounts are used to disburse to those LLC members their pro-rata shares of a distribution received from an underlying investment. In both cases, money very rarely remains in the account for more than a month. Each of these accounts issues an audited financial statement following the close of each year, which is sent to each underlying member of each such pooled investment vehicle.

Investment Discretion

PKAM accepts investment discretion over certain client accounts. For the special-purpose vehicles, the investors in those entities are putting their money in specific known investments that the entities make. Where there may be a substantive change in that investment contemplated, PKAM advises the investors and seeks input where the change is discretionary or describes the change where it is mandatory. For certain institutional client accounts where PKAM has complete contractual discretion, PKAM in fact discusses each investment with the underlying client investing entity in advance and obtains clearance before exercising the discretion.

Voting Client Securities

The alternative investments in which our clients invest do not ordinarily involve share-voting in the way that shares traded on an exchange may do. Nonetheless, from time to time our clients may be asked by a fund manager of a particular investment to vote an issue or to make a selection of some sort. Where we have been given alternative signing authority over the investment by a client for a nondiscretionary account, we will not exercise that authority involving such a vote or selection unless we have discussed the matter with the client first, or we already know from prior discussions how the client would want us to exercise the authority. For an account where we have discretionary authority, we will consult with the client prior to exercising that authority in voting or making a selection unless we confidently know the voting or selection choice that would be in the best interests of the client. For our special-purpose LLCs and offshore vehicles that are discretionary clients, we can vote or make the required selection without any consultation or conflict as the Managing Member of PKAM and the Manager or Managing Member of the LLC (or the Investment Manager of the offshore accounts) are the same person.

Financial Information

PKAM has brief custody of the funds of its discretionary clients that are its special-purpose LLCs. As those funds are in each instance held in a separate bank account for each such LLC, and as that money is used only for making investments in accordance with investor instructions or making distributions to investors, there is no financial condition relating to PKAM or those LLCs that would impair PKAM's ability to meet its contractual commitments to its clients.

Brochure Supplement

The SEC requires that a Brochure Supplement be issued for each person who formulates investment advice for clients and has direct client contact, or who makes discretionary investment decisions for client assets with or without client contact. As the only person at PKAM who makes discretionary investment decisions and who formulates and determines the investment advice given to PKAM clients is Peter Kimmelman, we are including his Brochure Supplement as part of the PKAM Brochure itself.

Peter Kimmelman is the Managing Member of PKAM and its Chief Executive Officer. He was born in 1944 and graduated from the University of Pennsylvania's Wharton School of Economics and Finance (B.S. in Economics 1966) and the Harvard University School of Law (J.D. 1969). Mr. Kimmelman has been an investment adviser since 1979 with PKAM and its predecessor entity and has specialized since 1990 in the area of alternative investing. He has served as a long-term director and senior executive to various large financial institutions and asset management companies. He was a director of Republic National Bank of New York for 24 years until its acquisition by HSBC in 1999. At Republic he served as Chairman of the Directors' Investment Committee for 10 years, then as Chairman of the Directors' Credit Review Committee for 12 years, and as one of two non-executive members of the Directors' Executive Committee for more than 20 years. When HSBC acquired Republic, Mr. Kimmelman was one of three directors (out of Republic's 27 directors) who were selected to serve as a directors of HSBC Bank/HSBC Corp USA, the American subsidiary of HSBC Holdings PLC, the second largest bank in the world at the time as measured by market capitalization. At the time of his retirement from the HSBC board, Mr. Kimmelman was honored as the longest-serving director in the HSBC system worldwide. From 2003 to 2007 Mr. Kimmelman served as one of six advisory board members of Guggenheim Alternative Asset Management LLC, a subsidiary of Guggenheim Partners. Mr. Kimmelman is a trustee, council member, or officer of numerous prominent non-profit organizations, including World Monuments Fund (trustee and treasurer), Freer/Sackler Galleries (Smithsonian Institution), Center for Strategic and International Studies, Business Executives for National Security and American Federation for Aging Research, American Friends of the Shanghai Museum Inc., and formerly the National Gallery of Art Trustees Council, Center for International Political Economy, American Federation of the Arts, Center for the Digital Future, the Aaron Diamond AIDS Research Center, the Irene Diamond Fund and

Brookings Institution. In September 2019, Mr. Kimmelman completed his four-year term as Chairperson of the Freer/Sackler Galleries, but he continues as a trustee of that board.