

**Item 1 – Cover Page**

**SAMSUNG ASSET MANAGEMENT (NEW YORK), INC.**

**152 West 57<sup>th</sup> Street**

**9<sup>th</sup> Floor**

**New York, New York 10019**

**(212) 421-6800**

**March 26, 2020**

This Brochure provides information about the qualifications and business practices of Samsung Asset Management (New York), Inc. (“SAMNY” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 212-421-6800.

SAMNY is an investment adviser registered with the Securities and Exchange Commission (“SEC”). Registration as an investment adviser does not imply any certain level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

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

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## **Item 2 – Material Changes**

### **Material Changes since the Last Annual Update**

This Item must identify and discuss the material changes, if any, to SAMNY's Brochure, since the last annual update filed on February 28, 2019.

There are no such material changes. However, SAMNY has made non-material edits to the Brochure, as part of its ongoing commitment to review and provide current disclosures.

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#### **Item 4 – Advisory Business**

Samsung Asset Management (New York), Inc. (“SAMNY” or the “Firm”) began operations in February 1994 as an investment management firm.

SAMNY currently provides investment advisory services to Korean institutional clients, including its parent company, Samsung Asset Management Co., Ltd. (SAM CO), a Korean-based and Korean registered investment adviser, which is also registered with the Securities and Exchange Commission (“SEC”). SAMNY advises on strategies in global fixed income, generally through vehicles established in and registered in Korea, offered to Korean investors, and to which Samsung Asset Management Co., Ltd. or another registered adviser is also the manager. In addition to being regulated by the SEC, SAMNY and SAM CO are regulated by foreign regulatory entities including the South Korean financial authority, the “South Korea- Financial Supervisory Commission / Financial Supervisory Service.”

SAMNY maintains offices in New York City. The Firm is a wholly-owned subsidiary of SAM CO.

As of December 31, 2019, SAMNY managed approximately \$4,062,279,551 of discretionary assets and \$118,314,000 in assets under advisement. The assets under advisement are those for which SAMNY does not have discretionary authority and does not currently execute trades, but for which SAMNY also provides market analysis.

SAMNY currently focuses on a fixed income investment strategy for its client accounts, primarily in high-grade and short-term and long-term U.S. corporate and treasury bonds, and Canadian bonds. Additionally, and in accordance with negotiated contracts, SAMNY has delegated part of a client account to a sub-adviser for a high yield bond strategy and focus.

The clients, following negotiation and with the Firm’s consent, may impose certain reasonable investment guidelines and restrictions.

In addition to its advisory services, SAMNY acts as a solicitor for an affiliated entity Samsung Asset Management (Hong Kong) Limited, which is regulated by SEC and the Hong-Kong Securities and Future Commission, and SAM CO, its parent company as stated above. Please see Sections 10 and 14 for more information.

## **Item 5 – Fees and Compensation**

Management fees are subject to negotiation. SAMNY generally charges a management fee to client accounts in the range of 0.07% to 0.448% per annum.

**Fee Calculation and Payment.** Subject to negotiation, fees are calculated based on a percentage of the market value of assets or historical cost (or book value) under management and is payable quarterly in arrears at the end of each quarter. However, actual fees charged are negotiable and may fall either within or outside such range, depending upon a variety of factors including the type of client, the particular strategy being employed, the size of the account, the relationship with the client, and the amount of servicing required. There is an additional fixed fee charge for investment research, as requested. The specific manner in which fees are charged by SAMNY is established in the client's written agreement with SAMNY.

**Termination.** Investment management agreements are terminable by either party as negotiated. In the case of any termination, any earned and unpaid management fees will be determined on a pro rata basis through the date of termination.

### ***Other Fees and Expenses***

SAMNY's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. The client incurs charges imposed by custodians, brokers, and other third-parties. Such fees may include, but are not limited to, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, management fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds (currently not part of SAMNY's strategy) also charge internal management fees, which would be in addition to SAMNY's management fees, and have additional costs, which are disclosed in the fund's prospectus.

Such charges, fees, and commissions are exclusive of and in addition to SAMNY's management fee, and SAMNY does not receive any portion of these additional commissions, fees, and costs. SAMNY and SAMNY's supervised persons do not receive compensation for the sale of securities or other investment products (other than its management and research fee described above).

Please see Item 12 for further description on the factors that SAMNY considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commission rates).

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

SAMNY does not currently charge any performance-based fees.

## **Item 7 – Types of Clients**

SAMNY provides investment advisory services on a discretionary basis to institutional clients. The terms of each account or sub-account is subject to negotiation, including account minimums.

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

### Method of Analysis

The Firm employs a top-down and bottom-up approach in its investment analysis. Investment teams consisting of portfolio managers and research analysts analyze a number of securities for consideration to include in an investment portfolio. The investment team continually monitors investments and will add or reduce exposure to certain securities when deemed appropriate.

The investment considerations include, but are not limited to, industry sectors, the company's market conditions, and the strengths of the company's management, business strategy, competitive advantages, and financial condition. In addition, other factors such as the company's market capitalization, liquidity, and dividend yield are considered.

Investment research includes analysis on, but not limited to, the company's earnings multiples, cash flow, leverage, sales, costs, and other variables.

SAMNY's portfolio construction process to a certain extent diversifies holdings across sectors, market capitalization, weightings, and other variables in order to mitigate risk.

### Risk of Loss

Investing in securities involves risk of loss, including to principal, which clients must be prepared to bear.

Focused Investment Risk. As stated in Item 4, SAMNY primarily invests in fixed income securities. Accordingly, clients who retain the Firm to manage their assets may experience a greater degree of risk compared to having an investment adviser employing a more broad-based asset diversification investment strategy. Because SAMNY may invest in securities of a smaller number of issuers than other firms, the portfolios may be more

exposed to the risks associated with and developments affecting an individual issuer than a portfolio that is more widely invested.

**Volatility, General Market and Economic Risk.** Additionally, stock markets are volatile. The value of securities is affected by changes in a company's financial condition and overall market and economic conditions.

**Outbreaks of Infectious Diseases Risk.** Health related outbreaks, epidemics, and/or pandemics can and do have a significant impact on investments. Impacts can result in economic downturns and cause operational, contractual, and other market disruptions. Such events can cause consumer confidence and spending to fluctuate or result in increased volatility in the U.S. and worldwide financial markets.

**Research Related Risk.** SAMNY conducts research from publicly available resources, and the information is dependent on other, underlying sources, and conditions are always subject to change.

**Management Risk.** The investments selected by SAMNY may underperform the market or other securities selected by other advisers or managers.

**Inflation Risk.** SAMNY's investments selections are also subject to inflation risk. Inflation risk is the risk that the present value of assets or income from investments will be less in the future as inflation decreases the value of money. The present value of an account's assets and distributions can decline as inflation increases.

**High Yield Risk.** Debt obligations that are rated below investment grade and unrated obligations of similar credit quality may have a substantial risk of loss. These obligations are generally considered to be speculative with respect to an issuer's ability to pay interest and principal when due. These obligations may be subject to greater price volatility than investment grade obligations, and their prices may decline significantly in periods of general economic difficulty or in response to adverse publicity, changes in investor perceptions or other factors. These obligations may also be subject to greater liquidity risk. As stated in Item 4, any accounts in the high yield strategy are invested in such only in accordance with negotiated client contracts for this purpose.

SAMNY's investments are subject to interest rate risk and Federal Reserve policy decisions regarding benchmark interest rates. Interest rates may increase or decrease. Generally, an increase in interest rates results in lower prices of fixed income securities, which can cause the value of an account's investments in such securities to decline. Monetary policies as set by the Federal Reserve influence overall financial conditions by adjusting the federal funds

rate and have an important influence on inflation and the economy-wide demand for goods and services.

### **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 the Firm or the integrity of the Firm’s management.

SAMNY does not have any disciplinary information applicable to this Item to disclose.

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

SAMNY has material relationships with its affiliated companies, as is described below.

As stated elsewhere in this Brochure, SAMNY manages assets for institutional clients which are and include affiliates, including its parent company, SAM CO., which in turn manages certain assets for its affiliates.

SAMNY has solicitation agreements with affiliates SAM CO and Samsung Asset Management Company Hong Kong Ltd. (“SAM Hong Kong”), whereby SAMNY solicits potential clients for SAM CO and SAM Hong Kong.

SAMNY and its affiliates receive fees related to their respective services. SAMNY receives solicitation fees for the solicitation services to SAM CO and SAM Hong Kong. Except as noted above, SAMNY does not receive compensation from other investment advisers or funds. To the extent that SAMNY solicits potential or existing SAMNY clients for SAM CO and SAM Hong Kong, SAMNY will only do so when SAMNY determines it is in the best interest of such client and the client desires investment exposure not offered through SAMNY; nonetheless this creates a conflict of interest whereby SAMNY’s affiliate would receive direct compensation from any such solicited client who decides to contract with the affiliate, and SAMNY would receive direct compensation from the affiliate as a result of the referral. SAMNY informs potential clients SAMNY solicits of its affiliate relationships with SAM CO and SAM Hong Kong and of its receipt of solicitation fees.

SAMNY is under common control with an affiliated broker dealer, Samsung Securities, which owns 100% of Samsung Securities (America), Inc.; SAMNY does not conduct transactions through Samsung Securities or Samsung Securities (America). SAMNY is also under common control with SAM Hong Kong and Samsung Asset Management (London)



Ltd (“SAM London”); SAMNY, SAM Hong Kong, and SAM London are each 100% owned by SAM CO, which in turn is 100% owned by Samsung Life Insurance Co., Ltd.

SAMNY, SAM CO., Samsung Life Insurance Company Co., Ltd., and Samsung Securities (America), Inc. are also all registered in South Korea, with the South Korea - Financial Supervisory Commission / Financial Supervisory Service. SAM Hong Kong is registered with the SEC and is licensed under the Securities and Futures Ordinance with the Securities and Futures Commission in Hong Kong.

## **Item 11 - Code of Ethics**

SAMNY has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act which sets forth its high standard of business and ethical conduct and its fiduciary duty to clients. The Code of Ethics includes, among other items, provisions relating to personal securities transactions, restrictions on the acceptance of extravagant gifts and entertainment, employee training programs, confidentiality of client information, prohibition on insider trading, and prohibition of spreading rumors.

All supervised persons (also known as employees) at the Firm must acknowledge the terms of the Code of Ethics annually.

From time-to-time, the Firm’s supervised persons may transact in or hold the same securities as clients. In these situations, the Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Firm will not materially interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt or certain transactions as de minimis, based upon a determination that these would not materially interfere with the best interest of clients. In addition, the Code requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. Furthermore, to prevent supervised persons from inappropriately profiting from effecting personal securities transactions and to prevent the appearance of impropriety as a result of the supervised persons effecting personal securities transactions based on clients’ transactions, the Code has a forfeiture of profit, at the Firm’s discretion, for securities purchased and sold or sold and purchased by supervised persons within a certain period of time. However, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

Personal trading is monitored by the Chief Compliance Officer (“CCO”) to reasonably detect and prevent conflicts of interest between SAMNY and its clients.

SAMNY does not trade with the client’s accounts. If more than 1 client account trades at the same time, accounts share commission costs equally and receive securities at a total average price. In the event that an aggregated order is partially filled, the Firm will generally allocate the partially filled order pro rata.

Provisions in the Code of Ethics include for example:

- Employees are required to submit to the CCO an initial and an annual report listing their securities holdings and a quarterly report of transactions;
- Employees are prohibited from purchasing initial public offerings (IPOs) and employees must obtain approval from the CCO prior to investing in Private Placements (limited offerings);
- SAMNY may require employees to disgorge any profits from a transaction deemed to conflict with client transactions;
- Employees must comply with the federal securities laws, certify that they have read and understand the Code, and report any violations of the Code to the CCO;
- The Code sets forth limitations on employees receiving gifts and entertainment from third-parties. Employees may not solicit gifts or entertainment from any person or firm with whom SAMNY conducts or could conduct business; and
- Employees are prohibited from trading either in their personal accounts or on behalf of client accounts on the basis of material non-public information.

Employees who violate the Code and the Firm’s Compliance Manual are subject to disciplinary action including, but not limited to, written warnings, fines and termination of employment.

SAMNY will provide a complete copy of its Code of Ethics to any client or prospective client upon request by contacting SAMNY’s CCO.

#### Participation or Interest in Client Transactions

From time-to-time, various potential and actual conflicts of interest arise from the investment advisory activities of SAMNY, its employees, and affiliates. SAMNY, its employees and affiliates in some instances may give advice to, or take action for, their own accounts or other clients that may differ from, conflict with, or be adverse to advice given

or action taken for a client or clients. These activities may adversely affect prices and availability of securities.

In the ordinary course of its advisory activities, SAMNY from time to time may recommend to its advisory clients the purchase or sale of securities in which SAMNY, its affiliates, and/or their employees also have a position or interest, or in which SAMNY, its affiliates and employees have a position or interest in various classes of the same security. Investors could have materially different rights than each other, SAMNY, its affiliates, and employees, including rights in the event of a default or restructuring by the issuer or as a result of a bankruptcy proceeding involving the issuer.

SAMNY has a capital account, which engages in minimal transactions and has holdings other than cash, but this account does not actively trade, nor does it trade with or alongside any client account.

#### *Cross Trades*

SAMNY does not conduct cross-trades, trades from one client account to another client account.

#### *Principal and Agency Cross Transactions*

SAMNY will not knowingly affect any principal transactions or agency cross securities transactions for or between client accounts through Samsung Securities, its affiliated broker-dealer.

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account.

An “agency cross transaction” is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. SAMNY does not transact through its affiliated broker-dealer.

## Item 12 – Brokerage Practices

### *Broker Selection*

In the absence of client direction to utilize a particular broker-dealer for execution of transactions, SAMNY selects broker-dealers through which to effect transactions on the basis of best execution. SAMNY seeks to effect transactions at a price, commission and transaction cost (e.g., mark-up or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances, however, SAMNY will consider various additional factors when selecting broker-dealers including, but not limited to, the nature of the portfolio transaction, the size of the transaction, broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, willingness to commit capital, access to a particular trading market, security conditions (e.g., liquidity, volatility), and the value of research it provides.

SAMNY investment professionals review and approve the broker-dealers through whom clients' transactions are affected. Proprietary and third-party research and brokerage services include, but are not limited to data systems used for dynamic security pricing, fundamental and technical data for securities analysis, historical company information, fundamental research reports, written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies and forecasts, statistics and pricing or appraisal services, and access to research analysts and company executives. These services provide assistance to the Firm in its investment decision-making and trade execution process. SAMNY is not required to weigh any of these factors equally. Information received is in addition to and not in lieu of services required to be performed by SAMNY, and SAMNY's management fees are not reduced as a consequence of the receipt of such supplemental research information. SAMNY selects brokers on the basis of a best execution analysis, and there are no soft dollar arrangements.

### *Directed Brokerage*

With SAMNY's consent, a future client may direct SAMNY to effect some or all of their transactions with certain broker-dealers. In the event that the Firm agrees to accept the client's directed brokerage instructions, the client should be aware that the Firm may not be able to obtain best execution for their transactions and may receive less favorable prices and pay higher commission rates or incur higher transaction costs for executing these transactions. Generally, directed trades will be executed subsequent to the execution of non-directed trades which may result in the client realizing a less favorable (or more favorable) execution price. However, when feasible and at the discretion of the Firm, the Firm may aggregate directed trades with non-directed trades for execution and "step out"

to the directed broker the client's trades to that broker. In such case, clients that provide directed brokerage instructions will receive the same average price as the other clients in the aggregation.

#### *Aggregation and Allocation*

SAMNY, at its discretion, may aggregate orders in the same security for accounts transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) on an average price basis among the accounts in the order.

#### *Conflicting Transactions*

SAMNY may effect a purchase of securities for one account at the same time as a sale of the same securities for another account. In many instances, such transactions will be effected to rebalance the positions held in accounts with a view towards achieving uniform results among accounts in the same strategy or otherwise in consideration of differing cash flows or to comply with investment guidelines or restrictions. On these occasions, portfolio managers and traders will consult to ensure that the transactions are consistent with the investment objectives, policies, and restrictions of each account and are appropriate for each account. SAMNY will strive to execute these transactions at prices that are fair and equitable to the account whose securities are being purchased or sold.

#### *Payment for Client Referrals*

From time-to-time, it is possible that broker-dealer could refer potential clients to the Firm. The Firm does not direct transactions and/or commissions to any broker-dealer for any such referrals. The Firm selects broker-dealers on the basis of best execution. The Firm, at its discretion, may effect transactions through these broker-dealers provided they are able to provide best execution.

#### *Trade Errors*

From time-to-time, the Firm may cause a trade error to occur. For example, trade errors may happen as a result of effecting the incorrect number of shares (e.g., 10,000 shares were purchased when the intention was to purchase 1,000 shares), transactions were affected in the wrong client account, the order was to buy shares but shares were sold, and other reasons. When trade errors occur, the Firm's policy is to correct the error promptly. In the event that the Firm caused the error, the Firm will make the client whole for the loss unless the equities of the situation may cause an unjust enrichment for the client. If the client caused the error (e.g., the client advised the Firm that a certain amount of funds would be wired to the account on a certain day but a substantially smaller amount was wired or the

funds were not wired and the Firm acted upon the client's advice), the client will bear the loss. If a third-party caused the error (e.g., the Firm properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), the Firm will take certain steps to collect from the third-party the amount of the error, however, there is no guarantee that the Firm will be successful and, in such cases, the client will bear the loss.

### **Item 13 – Review of Accounts**

Accounts are reviewed generally monthly by the relevant portfolio managers to ensure consistency with SAMNY's investment processes and conformity with client objectives and guidelines. In addition, SAMNY's credit analysts frequently monitor the risk profile of client accounts in view of market developments. Some reviews may include an evaluation of account performance relative to certain agreed upon benchmarks or objectives, while others may include an analysis of current positions and/or asset mix. Account reviews may result in adjustments to the portfolio.

SAMNY provides written monthly and/or quarterly account statements that include portfolio holdings, transaction information, and performance information. SAMNY also may provide written reports which may include, among other things, information covering capital markets and portfolio outlook, at such intervals and in the form that SAMNY and client agree upon. Customized reporting is available as agreed upon between SAMNY and client.

Qualified custodians send written account statements directly to clients on a quarterly basis, and clients should compare these statements and should notify their custodian and the Firm should discrepancies appear.

See Item 15 for additional information with respect to custody of assets.

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

#### *Client Referrals*

SAMNY has not entered into any arrangements with third-parties ("solicitors") who are compensated for referring clients to SAMNY. As stated in Items 4 and 10, SAMNY has entered into solicitation agreements with SAM CO and SAM Hong Kong whereby SAMNY solicits clients and prospective clients to SAM CO and SAM Hong Kong. Please see Item 10.

#### *Other Compensation*

SAMNY has not entered into any arrangement under which it receives any compensation, including sales awards or prizes, from a person who is not a client for providing advisory services to SAMNY clients.

### **Item 15 – Custody**

SAMNY does not have custodial authority over client funds or securities as defined by the Custody Rule. Client assets are held by a custodian (e.g., bank, broker-dealer or other qualified custodian) of the client's own selection, and the client receives at least quarterly written statements directly from such custodian.

The client should carefully review such custodian statements and compare such official custodial records to the account statements provide by SAMNY. SAMNY's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

As an investment adviser, for the discretionary accounts, SAMNY is granted the discretionary authority pursuant to the investment management agreement to determine which securities and the amounts of securities that are bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.

For its discretionary advisory services, SAMNY receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Subject to SAMNY's consent, a client may provide specific investment restrictions and guidelines (e.g., social restrictions or limitations on security exposures). In all cases, however, SAMNY exercises such investment discretion in a manner consistent with the stated investment objectives for the particular client account.

Investment guidelines and restrictions must be provided to the Firm in writing.

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

As a matter of Firm policy and practice, SAMNY does not accept the authority to and does not vote proxies on behalf of its client, and the client retains responsibility for receiving and voting proxies for all securities maintained in their portfolios. Currently, SAMNY engages in fixed income transactions for clients.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition.

SAMNY does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. In addition, the Firm has not been the subject of a bankruptcy proceeding.