

BROCHURE OF
KAKIAT CAPITAL LLC

A Delaware Limited Liability Company registered with the State of New
York as an Investment Adviser
CRD# 310734

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Montebello, NY 10901
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February 19, 2021

**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND
BUSINESS OF KAKIAT CAPITAL LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE
CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 845-598-1784.
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 AS AN INVESTMENT ADVISER DOES NOT
IMPLY A LEVEL OF SKILL OR TRAINING.**

**ADDITIONAL INFORMATION ABOUT KAKIAT CAPITAL LLC ALSO IS AVAILABLE ON
THE SEC’S WEBSITE AT 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 Kakiat Capital LLC.

Item 2. MATERIAL CHANGES

No material changes have occurred with respect to Kakiat Capital LLC (the “**Firm**”) advisory services, since the filing of the Firm’s initial Brochure on September 23, 2020.

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Appendix A- Privacy Policy

Item 4. ADVISORY BUSINESS

- (A) **Operational and Organizational Information:** The Firm is a limited liability company formed under the laws of the state of Delaware in August, 2020. As stated on the cover page of this Brochure, registration as an investment adviser does not imply a level of skill or training. The sole owner of the Firm is David Hendler. The Firm's Chief Compliance Officer is Mr. Hendler.
- (B) **Types of Advisory Services Offered:** The Firm provides investment management services to separately managed account clients ("**Clients**") on a discretionary and non-discretionary basis. The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments, which may include the selection of other advisers (including, where appropriate, private fund managers). Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, etc.). The investment process starts with establishing and then monitoring each client's appropriate asset allocation. Each client's risk tolerance and financial objectives will be considered in tailoring an asset allocation that is suitable for the account. This allocation will primarily include equities, preferred securities, fixed income and cash equivalents, but may from time to time include other areas such as private placements. Primary emphasis will be on large capitalization, publicly traded, domestic and international common stocks. The Firm may also periodically provide the publication of periodicals or newsletters, as well as educational seminars and workshops. Currently, the Firm is seeking capital to provide portfolio management services to Managed Accounts pursuant to investment management agreements with such Managed Accounts.
- (C) **Client Investment Guidelines and Parameters:** In certain instances, upon Client request, the Firm may tailor its advisory services to the individual needs of Client accounts. Clients may also impose restrictions on investing in certain securities or types of securities by specifying such restrictions in a written notice to the Firm. Advisory services include among other things, providing advice regarding asset allocation and the selection of investments. Decisions relating to investment advice are based on an analysis of the merits of the investment involved and on the investment guidelines and restrictions of the Client. The Firm provides discretionary and/or non-discretionary investment advisory services to all fee paying Client accounts. Lower fees for comparable services may be available from other sources. The Firm has limited trading authority with respect to Client accounts; in this regard, the Firm will not have custody of the assets of the Client accounts. Each Client's investment management agreement includes investment guidelines and parameters that provide the context within which the Firm renders its investment advisory services.
- (D) **Wrap Fee Programs:** The Firm does not participate in wrap fee programs.
- (E) **Client Assets Under Management:** *(rounded to the nearest \$100,000)*
- (i) Discretionary: \$0 as of the date of this Brochure.
- (ii) Non-discretionary: \$0 as of the date of this Brochure.

Item 5. FEES AND COMPENSATION

- (A) *Generally:* All fees are individually negotiated. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance/incentive fee/allocation arrangements with the Client.

Management fees for Client accounts are calculated based on a periodic percentage of the value of the assets under management (the “**Management Fee**”).

The Firm may also receive a performance-based fee (the “**Performance Fee**”) which is tied to the capital appreciation within the account as evaluated at the end of each calendar year. Please refer to Item 6, below, for a more detailed description of Performance Fees, and related conflicts of interest.

- (B) **Payment of Fees:** Management Fees are charged as stated in the relevant investment management agreement.

Please refer to Item 6, below, for a more detailed description regarding the Performance Fee.

- (C) **Additional Fees and Expenses:**

Generally: The Firm will be responsible for its own general operating and overhead expenses associated with providing the management and investment management services. These expenses include all expenses incurred by the Firm in providing for its operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, computer systems, insurance, utilities, telephone, secretarial and bookkeeping services, etc.).

Clients will also bear any agreed upon expenses as set forth in the relevant investment management agreement, including brokerage and other transactions costs. Without limiting the foregoing, generally, the Client shall pay, or reimburse the Firm for, certain fees and expenses which may include, in some or all instances, fees and costs relating to the trading of securities, brokerage commissions (see Item 12, “Brokerage Practices”), costs of borrowing securities to be sold short, costs of preparing and mailing reports to Clients, and other similar fees and expenses. The Client may also pay or reimburse the Firm for research fees and expenses (including online news and quotation services) appropriately allocable, in the Firm’s discretion, to the operations of advising said Client.

The Firm will not receive any portion of such commissions or fees from the custodian or Client. In addition, Clients may incur certain charges imposed by third parties other than the Firm in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees, and surrender charges, and IRA and qualified retirement plan fees. Performance Fees charged by the Firm are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Clients. A description of these fees and expenses are available in each mutual fund security’s prospectus.

Clients should review Item 12, which discusses conflicts of interest related to brokerage practices.

- (D) **Fees Paid in Advance/Arrears:** Client accounts will pay Management Fees, in advance or in arrears, according to the terms of the applicable investment management agreement, each of which is individually negotiated.

Termination of Services: Termination terms are specified in the applicable investment management agreement.

- (E) **Additional Compensation of Supervised Persons:** No supervised person accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products. The Firm will collect certain administrative fees from issuers relating to the loan participation process.

Item 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Firm receives a mutually agreed upon periodic Performance Fee, which typically will range between 10-20% of such Clients' net income for the period in excess of any previously recovered net losses, although the Firm reserves the right to modify such fees on a case by case basis.

Generally: In order for the Firm to receive a Performance Fee, the Firm must achieve capital appreciation within the account. The Performance Fee that the Firm will receive is subject to a Loss Carryforward, which means that no Performance Fee will be earned unless the performance exceeds the previously achieved high water mark where a Performance Fee was charged. The high water mark will be used in order to prevent a scenario whereby the Firm could receive a Performance Fee merely for recouping prior losses. A full description of the entire fee arrangement will be disclosed to the Client in the investment management agreement. Fees generally are deducted directly from the Client's account, as specified in the relevant investment management agreement. The Firm's receipt of a Performance Fee is intended to align the Firm's interests with those of its Clients, and, to provide the Firm with a greater incentive to manage assets well. The nature of the Performance Fee, however, creates potential conflicts of interest among the Firm, its associated persons, and Clients.

Such fees will be structured and charged in a manner consistent with the requirements of applicable law. An incentive fee 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 a Performance Fee. To the extent the Firm values any such securities or instruments, it has a conflict of interest as the Firm will receive higher Management Fees 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 Client's account, 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.

In addition, in the event that the Firm manages an account from which it collects a Performance Fee and also manages at the same time an account from which it does not collect a Performance Fee, the Firm has an incentive to favor accounts for which it receives the Performance Fee because it will receive a greater profit from the accounts which are charged a Performance Fee. Therefore, the Firm has an

incentive to allocate investments that are expected to be more profitable to accounts from which it collects a Performance Fee, on the one hand, and that are riskier on the other hand, since in both scenarios, the Firm may receive greater fees if the investment generates a positive return. Notwithstanding the foregoing, the Firm does not favor accounts that pay a Performance Fee.

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

Item 7. TYPES OF CLIENTS

The Firm intends to provide investment advice to separately managed Client accounts. Investment advice is provided directly to the Client account. All investors in a Client account subject to a performance fee shall be Qualified Clients, as defined in Rule 205-3, under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

The Firm does not currently require that a Client account be funded with a minimum funding requirement. Additionally, the Firm does not impose any specific requirement to open or maintain a Client account, as the terms regarding each Client account are individually negotiated.

Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

As stated above, the investment process includes, among other things, providing advice regarding asset allocation and the selection of investments. Account supervision is guided by the stated objectives of the Client (i.e., maximum capital appreciation, growth, etc.). The investment process starts with establishing and then monitoring each Client’s appropriate asset allocation. Each Client’s risk tolerance and financial objectives will be considered in tailoring an asset allocation that is suitable for the Client. The investment objective for Clients is to seek long-term total returns. The main sources of information the Firm uses for research are internally produced analyses, financial newspapers and magazines, research materials prepared by others (including affiliates as noted in Item 10 below), corporate rating services, timing services, annual reports, prospectuses, filings with the SEC and company press releases. The investment strategies that the Firm pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved. This Brochure does not supersede the investment management agreement for a Client account.

Risk Factors

No Operating History. The Firm is a recently-formed entity that has no operating history upon which prospective investors may evaluate the Firm’s future performance. Although Mr. Hendler has experience with investments of the type the Firm intends to make, any prior performance by Mr. Hendler is not necessarily indicative of results that he may achieve with respect to any Client accounts. As such, there can be no assurances that the Firm will be able to implement its investment strategy or achieve its investment objectives.

Investment Expenses. The investment expenses (e.g., expenses related to the investment and custody of Client assets, such as brokerage commissions, custodial fees and other trading and investment charges and

fees) as well as other Client fees may, in the aggregate, constitute a high percentage relative to other investment entities. Clients will bear these costs regardless of their profitability.

Supervision of Investment and Trading Operations. The Firm, with assistance from its counterparties, intends to supervise and monitor trading activity in Client accounts to ensure compliance with their objectives. Despite the Firm's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in Client accounts.

Risks Associated with Non-Diversification. The Firm will concentrate holdings in industries, geographic regions or companies which the Firm determines will provide the best opportunity for attractive risk-adjusted returns. The concentration of assets in a small number of issuers, in any one industry, location, or a small number of industries, or in a single industry would subject Clients to a greater degree of risk with respect to the failure of one or a few investments or with respect to economic variations in relation to such industry or industries.

Non-U.S. Investments. The Firm may cause its Clients to invest in financial instruments of non-U.S. entities and governments. Investing in the financial instruments of entities (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. entities or the U.S. Government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, gross sale or disposition proceeds or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Clients' investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning entities located outside of the U.S. than for those located in the U.S. As a result, Clients may be unable to structure their transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce Clients' rights in such markets.

Equity Securities. All investments in equity securities are subject to market risks that may cause their prices to fluctuate over time. Historically, the equity markets have moved in cycles and the value of the securities may fluctuate substantially from day to day. Owning an equity security can also subject an investor to the risk that the issuer may discontinue paying dividends. Investments in common stocks are subject to the risk that in the event a company is liquidated, the holders of preferred stock and creditors of that company will be paid in full before any payments are made to the holders of common stock. It is possible that all assets of that company will be exhausted before any payments are made to a common stock holder.

Preferred Securities. Preferred stock generally does not exhibit as a great potential for appreciation as traditional equity securities such as common stock, although it typically ranks above common stock in its claim on income for dividend payments. In the event an issuer is liquidated or declares bankruptcy, the claims of bond owners take precedence over the claims of preferred and common stock owners. Preferred stock may also be subject to optional or mandatory redemption provisions.

Fixed Income Investments. The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate. Traditional convertible securities include corporate bonds, notes and preferred stocks that may be converted into or exchanged for common stock, and other securities that also provide an opportunity for equity participation. These securities are convertible either at a stated price or a stated rate (that is, for a specific number of shares of common stock or other security). As with other fixed income securities, the price of a convertible security generally varies inversely with interest rates. While providing a fixed income stream, a convertible security also affords the investor an opportunity, through its conversion feature, to participate in the capital appreciation of the common stock into which it is convertible. As the market price of the underlying common stock declines, convertible securities tend to trade increasingly on a yield basis and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the price of a convertible security tends to rise as a reflection of higher yield or capital appreciation. In such situations, an investor may have to pay more for a convertible security than the value of the underlying common stock.

Private Placements/Alternative Investments. The Firm recommend to qualified clients the use of alternative investments such as investments in real estate, private equity, or hedge funds. The Firm may also recommend a direct investment into a private company. Investments in such “alternative assets” may be illiquid, which may impair the ability of the client to exit such investments in times of adversity. Alternative investments may utilize highly speculative investment techniques, including leverage, highly concentrated portfolios, senior and/or subordinated securities positions, control positions and illiquid investments. In addition, they may utilize derivative instruments to attempt to hedge the risks associated with certain of their investments. Transactions in such derivative instruments may expose the assets of investment funds to the risks of material financial loss, which may in turn adversely affect the financial results of the Client. Clients who invest in alternative investments will pay the Firm’s advisory fees and those of the underlying investment managers, and certain other fees and expenses of underlying investment funds in which the Client invests. Investors in alternative investments may also pay carried interest, performance or incentive allocations to an underlying manager or sponsor of an underlying investment fund in which they invest, all of which contribute to the overall cost of the investment.

Risks Associated with Investing in Options and Derivatives. The Firm may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by Client accounts in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the

underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased on behalf of a Client account by the Firm were permitted to expire without being sold or exercised, the Client account would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Firm on behalf of the Client account at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Firm on behalf of the Client account at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the Client account of all or a substantial portion of its assets.

Short Selling. When deemed appropriate by the Firm, it will sell securities short on behalf of Client accounts. Short selling involves the sale of a security that the Client account does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the Client account must borrow securities from a third party lender. The Client account subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The Client account must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities.

Risks Associated with Leverage. Generally, the Firm does not use leverage. In the event that the Firm determines that leverage is appropriate in its investment program, the Firm may use borrowed funds and/or investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Firm purchases securities for a Client account with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of an account. If the interest expense on borrowings were to exceed the net return on the investments made with borrowed funds, the Firm’s use of leverage would result in a lower rate of return than if an account was not leveraged.

If the amount of borrowings outstanding for a Client account at any one time is large in relation to such account's capital, fluctuations in the market value of the account will have disproportionately large effects in relation to the account's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of a Client account to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies borrowed fails to cover their cost to a Client account, the net asset value of the account will generally decline faster than would otherwise be the case.

Certain of the Firm's trading and investment activities may be subject to U.S. Federal Reserve Board ("FRB") margin requirements, which are computed daily by a self-clearing broker-dealer. At present, the FRB's Regulation T permits a broker to lend no more than 50% of the purchase price of "margin stock" bought by a client. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the client is made. If the client does not deposit additional funds with the broker to meet the margin call within a reasonable time, the client's position may be closed out. In the event of a precipitous drop in the value of the assets managed by the Firm, the Firm might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to the Firm's trading activities on behalf of a Client account, the account, and not the Firm, will be subject to margin calls.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Clients should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Market Volatility: The profitability of the investments chosen by the Firm substantially depend upon the Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized to hedge against fluctuations in the relative values of portfolio positions as a result of changes in currency exchange rates, in interest rates and in the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for a Client account to hedge against a fluctuation at a price sufficient to protect such Client's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Firm is not obligated to establish hedges for account positions. To the extent that hedging transactions are effected, their success is dependent on Firm's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Market or Interest Rate Risk. The Firm may invest Client accounts, from time to time, in fixed income securities and instruments. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If a Client account holds a fixed income security to maturity, the change in its price before maturity may have little impact on such account's performance. However, if the account has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to such account.

Liquidity Risk. Liquidity is important to the Firm's business. Under certain market conditions, such as during volatile markets or when trading in an instrument or market is otherwise impaired, the liquidity of the Clients' portfolio positions may be reduced. During such times, Clients may be unable to dispose of certain assets, which would adversely affect a Client's ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force Clients to dispose of assets at reduced prices, thereby adversely affecting the Clients' performance. If there are other market participants seeking to dispose of similar assets at the same time, Clients may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if Clients incur substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, Clients' counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Clients' credit risk to them. Many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, liquidity may be reduced for the Clients' non-U.S. investments.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if a Client account purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation linked bonds, adjustable bonds or floating rate bonds, a Client account may be exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

Risk of Default or Bankruptcy of Third Parties. The Firm, on behalf of Client accounts, may engage in transactions in securities, commodities, financial instruments and other assets that involve counterparties. Under certain conditions, the Client account could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, instruments and/or assets were to become illiquid. In addition, Clients could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Firm does business, or to which securities, instruments and/or assets have been entrusted for custodial purposes.

Credit Risk. The failure of a lessee to make lease payments or risk that the issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the value of the investment to decline. Counterparties with debt securities rated below investment-grade (or unrated) are especially susceptible to this risk. The Firm looks to source investments that can provide various credit and structural enhancements to attempt to mitigate credit exposure to any single company or asset class.

Sector Risk. The value of investments focused in a particular industry or market sector will be highly sensitive to financial, economic, political and other developments affecting that industry or market sector, and conditions that negatively impact that industry or market sector will have a greater impact as compared to an account that does not have its holdings similarly concentrated.

Interest Rate Risk. The value of fixed income securities usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing instruments, and rising interest rates generally decrease the value of existing instruments. Changes in value usually will not affect the amount of interest income, but will affect the value of the investment. Interest rate risk is generally greater for investments with longer maturities. Certain fixed income securities pay interest at variable or floating rates. Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. The market prices of these securities may fluctuate significantly when interest rates change.

Investment Grade Debt Risks. Although generally more creditworthy and less risky than non-investment grade securities, investment grade securities are still subject to market and credit risk. Market risk relates to changes in a security's value as a result of interest rate changes generally. Investment grade securities have varying levels of sensitivity to changes in interest rates and varying degrees of credit quality. In general, bond prices rise when interest rates fall, and fall when interest rates rise. Longer-term bonds and zero coupon bonds are generally more sensitive to interest rate changes. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of investment grade securities like those of other debt securities may be affected by changes in the credit rating or financial condition of an issuer. Investment grade securities are generally considered medium and high-quality securities. Some, however, may possess speculative characteristics, and may be more sensitive to economic changes and to changes in the financial condition of issuers. The market prices of investment grade securities in the lowest investment grade categories may fluctuate more than higher-quality securities and may decline significantly in periods of general or regional economic difficulty. Like non-investment grade securities, such investment grade securities in the lowest investment grade categories may be thinly traded, making them difficult to sell promptly at an acceptable price

High Yield Debt Risks. The Firm may invest, on behalf of its Clients, in securities rated below investment grade, such as those rated Ba or lower by Moody's and BB or lower by S&P or securities comparably rated by other rating agencies or in unrated securities determined by the Firm to be of comparable quality. The Firm may purchase securities rated as low as D or unrated securities deemed by the Firm to be of comparable quality. Lower grade securities, though high yielding, are characterized by high risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated securities. The secondary market for lower grade securities may be less liquid than that of higher rated securities. Adverse conditions could make it difficult at times to sell certain securities or could result in lower prices. The prices of debt securities generally are inversely related to interest rate changes; however, the price volatility caused by fluctuating interest rates of securities also is inversely related to the coupon of such securities. Accordingly, lower grade securities may be relatively less sensitive to interest rate changes than higher quality securities of comparable maturity, because of their higher coupon. This higher coupon is what the investor receives in return for bearing greater credit risk. The higher credit risk associated with lower grade securities potentially can have a greater effect on the value of such securities than may be the case with higher quality issues of comparable maturity. Lower grade securities may be particularly susceptible to economic downturns.

Limited Diversification. Other than cash investments, the Firm will invest primarily in a limited number of investment types, sectors, and issuers. Accordingly, Client portfolios will not be diversified beyond such investment types, sectors, issuers, and cash investments. Therefore, the Client portfolios may be subject to more risk than would be the case if the Client maintained a wider diversification among investment types, sectors, and issuers.

Technology Risk. The Firm's investment strategy may rely on the use of proprietary and non-proprietary software, data and intellectual property. Any such reliance on this technology and data is subject to a number

of important risks. First, Clients may be severely and adversely affected by the malfunction of the technology and/or data feed. For example, an unforeseeable software or hardware malfunction could occur, as a result of a virus or other outside force, or as result of a design flaw in the system or in its continued implementation. In the past, occurrences of this nature to other investment managers have sometimes resulted in dramatically negative consequences for such managers' clients. In addition, changes in the market for publicly available data or in regulatory reporting requirements could cause a severe diminution in the data available for the technology to operate as designed. Such events can also have dramatically negative consequences for Clients. Furthermore, if any of the software, hardware, data and/or other intellectual property is found to infringe on the rights of any third party, Clients could be severely and adversely affected.

Cybersecurity Risks. The Firm's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Clients (and the beneficial owners of the Clients). Such a failure could harm the Firm's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of the Firm's information, technology or security systems could have an adverse impact on its ability to manage Client accounts referred to herein.

Epidemic Outbreak or Serious Public Health Event Risk. The Firm's business may be affected by outbreaks of an infectious disease, pandemic or any other serious public health concern, including diseases such as severe acute respiratory syndrome, avian influenza, and, most recently, the coronavirus COVID-19, or other similarly infectious diseases. Such events have the potential to significantly adversely affect or cause uncertainty in financial markets and businesses, including the Firm's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Any of the foregoing may therefore materially adversely affect the performance of the Firm, its affiliates, personnel, clients, and their respective investment activities. The Firm has policies and procedures to address known situations, but because such an event may create significant market and business uncertainties and disruptions, the Firm cannot predict the likelihood of such epidemics or serious public health events occurring in the future nor how such events may affect clients.

The foregoing risk factors do not purport to be a complete list or explanation of the risks involved in an investment for Clients advised by the Firm. These risk factors include only those risks that the Firm believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Firm.

Item 9. DISCIPLINARY INFORMATION

There are no legal or disciplinary events in which the Firm or any supervised persons have been involved that are material to a Client's or prospective Client's evaluation of the Firm's advisory business or management.

Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- (A) The Firm and its management persons are neither registered, nor do they have any applications pending, with a broker-dealer or registered representative of a broker-dealer.
- (B) 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.
- (C) The Firm and/or its management persons have a relationship or arrangement that is material to its advisory business or to its clients with the related persons as discussed below.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker.

Not Applicable

2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).

Not Applicable

3. Other investment adviser or financial planner.

Mr. Hendler is the principal and managing member of Viola Risk Advisors, LLC (“**Viola Risk**”), a subscription-based research provider of holistic, enterprise-wide risk management and capital structure investment views on global companies. The Firm will have access to, and use, research generated by Viola Risk in providing its advisory services to the Client accounts. Viola Risk has no authority (discretionary or non- discretionary) over any customer’s assets, nor does Viola Risk have access to any customer accounts with any institution.

4. Futures commission merchant, commodity pool operator, or commodity trading advisor.

Not Applicable

5. Banking or thrift institution.

Not Applicable

6. Accountant or accounting firm.

Not Applicable

7. Lawyer or law firm.

Not Applicable

8. Insurance company or agency.

Not Applicable

9. Pension consultant.

Not Applicable

10. Real estate broker or dealer

Not Applicable

11. Sponsor or syndicator of limited partnerships.

Not Applicable

- (D) Does the Firm recommend or select other investment advisers for your clients and receive compensation from those advisers that creates a conflict of interest? Does the Firm have other business relationships with such advisers that create a conflict of interest? If so, describe all conflicts of interest and how the Firm will address them.

Not Applicable

Item 11. CODE OF ETHICS. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING POLICIES

A copy of the code of ethics ("**Code of Ethics**") is available upon request to Clients and prospective Clients.

- (A) The Code of Ethics is based upon the premise that all of the Firm's personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of the Firm; (3) observe the Firm's personal trading policies so as to avoid conflicts of interests between the Firm and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Firm's Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by the Firm, up to and including termination.

Other Activities of the Firm and its Affiliates: Neither the Firm, nor any affiliate or employee, is required to manage Client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. In addition to managing Client accounts, the Firm and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.

Trade Error Policy: The Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, the Firm will use reasonable efforts to correct the error. If the error cannot be corrected, the Firm will use reasonable efforts to make an adjustment in a manner it considers reasonable under the circumstances in its sole discretion, and which may result in no adjustment being made. The Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

Privacy Policy: The Firm has adopted a privacy policy that explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about Clients, as required under federal legislation, which can be found as Appendix A hereto.

- (B) *Participation or Interest in Client Transactions, and Personal Trading:* The Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and the Firm requires that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, the Firm believes that if investment goals are similar for Clients and for employees of the Firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors, partners, members and employees (hereafter in this Item 11, “**Employees**”) for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee’s “personal account” generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Firm’s Client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.
- (C) The Firm and/or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) recommended to Clients. Please refer to Item 11.(B) above for additional information regarding the Firm’s practice in this respect, a discussion of the conflicts of interest this may present and generally how the Firm addresses such conflicts that may arise in connection with personal trading.
- (D) The Firm and/or its related persons may recommend securities to Clients, or buy or sell securities for Clients, at or about the same time as buying or selling the same securities for the Firm’s own (or the related person’s own) account. Please refer to Item 11.(B) above for additional information, including, a description of the Firm’s practice in this respect, and a discussion of the conflicts of interest this may present and generally how the Firm addresses such conflicts that may arise.

Item 12. BROKERAGE PRACTICES

The factors that the Firm considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation are described below:

- (A) **Factors Considered in Selecting or Recommending Broker-Dealers:** Securities transactions for Clients are executed through brokers selected by the Firm in its sole discretion and without the consent of Clients, unless, if specified in the applicable investment management agreement, a particular Client instructs the Firm to execute some or all securities transactions for its account with or through one or more brokers designated by such Client (please see Item 12.(A)3.(b) below). In placing portfolio transactions, the Firm will seek to obtain best execution, taking 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 and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; order of call; on-line access to computerized data regarding Clients' accounts; performance measurement data; the quality, comprehensiveness and frequency of available research and related services considered to be of value; the availability of stocks to borrow for short trades; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria.

1. **"Soft Dollar" Policy:** The Firm does not currently engage in soft dollar transactions. If applicable, the Firm may enter into soft dollar agreements with any of the executing brokers under the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934. The Firm does not separately compensate any broker for any services provided in connection with transactions executed for the Client.
2. **Brokerage for Client Referrals:** The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce Clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by Clients. As a result, the Firm may have an incentive to select or recommend a broker based on the Firm's interest in receiving Client referrals rather than on Clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit the Firm but will provide an insignificant (if any) benefit to Clients, the Firm will have a conflict of interest with Clients when allocating Client brokerage business to a broker who has referred a Client. The Firm will not allocate brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value. **Currently, the Firm does not engage in this practice.**
 - (a) As the Firm is a newly formed entity, during the Firm's last fiscal year it did not direct Client transactions to a particular broker-dealer in return for Client referrals.

3. **Directed Brokerage:**

- (a) The Firm does not recommend, request, or require a Client to direct the Firm to execute transactions through a specified broker-dealer.
- (b) The Firm permits Clients to direct the Firm to execute transactions through a specified broker-dealer. In such cases, the Firm may be unable to achieve most favorable execution of such Client transactions. Directed brokerage may cost such Clients more money. For example, in a directed brokerage account, the Client may pay higher brokerage commissions because the Firm may not be able to aggregate orders to reduce transaction costs, or the Client may receive less favorable prices.

(B) **Aggregation of Orders:** Transactions implemented by the Firm for accounts may be effected independently or on an aggregated basis. The Firm anticipates that frequently it will decide to purchase or sell the same securities for several Clients at approximately the same time. The Firm will aggregate orders when it believes aggregation may prove advantageous to Clients. Typically, the process of aggregating Client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among Clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and will be allocated among the Firm's Clients in proportion to the purchase and sale orders placed for each Client account on any given day. When the Firm aggregates Client orders for the purchase or sale of securities, including securities in which its associated person(s) may invest, the Firm will do so in a fair and equitable manner. It should be noted that the Firm does not receive any additional compensation or remuneration as a result of aggregation.

Allocation of Trades: The Firm may at times determine that certain securities will be suitable for acquisition by Clients and by other accounts managed by the Firm, possibly including the Firm's own accounts or accounts of an affiliate. If that occurs, and the Firm is not able to acquire the desired aggregate amount of such securities on terms and conditions which the Firm deems advisable, the Firm will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which the Firm considers them suitable. The Firm may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including but not limited to allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.

Item 13. REVIEW OF ACCOUNTS

The Firm and the Client will review the Client's account on a periodic basis to assure conformity with the investment objectives and guidelines. Clients are responsible for keeping the Firm informed as to any changes in their personal financial condition.

Client accounts have full transparency, including with respect to the Firm's trading activity in such account. The Client receives periodic reports (generally monthly) from the Client account's third party qualified custodian. The Client reviews the Firm's trading activity on a regular basis and discusses such activity with the Firm as needed. As such, the Firm does not provide regular reports to the Client.

Item 14. CLIENT REFERRALS AND OTHER COMPENSATION

The Firm does not currently receive any monetary compensation or any other economic benefit from a non-client for the Firm's provision of investment advisory services to a Client. In addition, the Firm does not currently utilize any third party marketers or solicitors.

Item 15. CUSTODY

The Firm does not have custody of the assets in Client accounts. The Firm maintains Client funds and securities at a qualified custodian. As stated above in Item 13, Review of Accounts, the Client's qualified custodian will send periodic account statements directly to Clients which Clients should carefully review. Clients are urged to compare statements that are received from the qualified custodian to information received directly from the Firm.

Item 16. INVESTMENT DISCRETION

The Firm intends to manage Client accounts on a non-discretionary basis and discretionary basis. Non-discretionary authority restricts the Firm from selecting the securities to be purchased or sold, including the amount, time, and price at which securities are to be purchased and sold, without first receiving authorization from the Client. The terms under which the Firm must operate with respect to a Client is agreed upon and memorialized in the investment management agreement.

Item 17. VOTING CLIENT SECURITIES

The Firm is not responsible for voting Client proxies for Client accounts, unless otherwise agreed upon and memorialized in such Clients' investment management agreement with the Firm. Clients will receive proxies directly from their account custodian, unless otherwise agreed upon and memorialized in such Clients' investment management agreement.

For any proxy votes cast by the Firm, a record will be made and retained by the Firm. Clients can obtain information on how proxies were voted and a detailed description of the Firm's policies and procedures regarding proxy voting by requesting such information from the Chief Compliance Officer.

The Firm understands and appreciates the importance of proxy voting. To the extent that the Firm has discretion to vote the proxies of Clients, the Firm will vote any such proxies in the best interests of Clients using the procedures outlined below.

In evaluating how to vote a proxy, the Firm will first determine whether there is a conflict of interest related to the proxy in question between the Firm and its Clients. This examination will include (but will not be limited

to) an evaluation of whether the Firm (or any affiliate of the Firm) has any relationship with the company (or an affiliate of the company) to which the proxy relates outside of an investment in such company by a Client. If a conflict is identified and deemed “material” by the Firm, the Firm will determine whether voting in accordance with these proxy voting guidelines is in the best interests of affected Clients (which may include utilizing an independent third party to vote such proxies). With respect to material conflicts, the Firm will determine whether it is appropriate to disclose the conflict to affected Clients and give Clients the opportunity to vote the proxies in question themselves, if applicable

Item 18. FINANCIAL INFORMATION

The Firm does not require or solicit prepayment of more than \$500 in fees per Client 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 during the past ten years.

Item 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS.

(A) **Additional Background Information:** Below is a summary of the educational and business backgrounds of the Firm’s principal executive officers and management persons.

David Alan Hendler, Managing Member of the Firm:
Born: 1961.

Education: Mr. Hendler graduated in 1983 from The Wharton School, University of Pennsylvania with a BS degree in Economics, and in 1986 from New York University Stern School of Business with an MBA degree in business.

Business Background: For the past 37 years, Mr. Hendler has been a financial services professional.

(B) Mr. Hendler is actively engaged in another investment-related business or occupation, as principal and managing member of Viola Risk, a subscription-based research provider of holistic, enterprise-wide risk management and capital structure investment views on global companies, which provides a substantial source of Mr. Hendler’s income and which involves a substantial amount of Mr. Hendler’s time.

(C) Please refer to Item 6, above, for information and conflicts of interests related to Performance Fees.

(D) Neither the Firm nor any management person has been involved in any of the events listed below, as indicated in response to each item.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) An investment or an investment-related business or activity: **No.**
- (b) Fraud, false statement(s), or omissions: **No.**
- (c) Theft, embezzlement, or other wrongful taking of property: **No.**
- (d) Bribery, forgery, counterfeiting, or extortion: **No.**

(e) Dishonest, unfair, or unethical practices: **No.**

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

(a) An investment or an investment-related business or activity: **No.**

(b) Fraud, false statement(s), or omissions: **No.**

(c) Theft, embezzlement, or other wrongful taking of property: **No.**

(d) Bribery, forgery, counterfeiting, or extortion: **No.**

(e) Dishonest, unfair, or unethical practices: **No.**

(E) Neither the Firm nor its management persons has any relationship or arrangement with any issuer of securities that is not listed in Item 10(C).

APPENDIX A

Privacy Policy

The Firm has adopted a privacy policy that explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about clients, hereinafter referred to as (“Clients”), as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information:

To provide Clients with effective service, the Adviser may collect several types of nonpublic personal information about Clients, including:

- Information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number and financial and investment qualifications;
- Information Clients may give orally;
- Information about transactions within the Firm, including account balances, investments and withdrawals;
- Information about the amount Clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Clients; and
- Information about any bank accounts Clients may use for transfers to or from separately managed accounts (if applicable).
- Disclosure of Nonpublic Personal Information:

The Firm does not sell or rent Client information. The Firm uses this information to conduct business with its Clients: to develop or enhance its products and services; to understand the financial needs of its Clients so that the Firm can provide such Clients with quality products and superior service; and to protect and administer its Clients’ records, accounts and funds. The Firm does not disclose nonpublic personal information about its Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, the Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Firm; this may include attorneys, accountants, auditors and other professionals. The Firm may also share information in connection with the servicing or processing of Client transactions;

- To affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through the Firm and to introduce Clients to other products and services that may be of value to such Clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Client Information:

The Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep Client information confidential.

The Firm maintains safeguards that comply with federal standards to protect Client information. The Firm restricts access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares Client information must agree to follow appropriate standards of security and confidentiality.

The Firm's privacy policy applies to both current and former Clients. The Firm may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

Changes to Privacy Policy:

The Firm may make changes to its privacy policy in the future. The Firm will not make any change affecting any Client without first sending to that Client a revised privacy policy describing the change.

Brochure Supplement (ADV Part 2B) Cover page for

David Alan Hendler
(CRD # 1667426)

7 Diamond Court
Montebello, NY 10901

February 19, 2021

KAKIAT CAPITAL LLC

THIS SUPPLEMENT PROVIDES INFORMATION ABOUT DAVID ALAN HENDLER THAT SUPPLEMENTS THE KAKIAT CAPITAL LLC BROCHURE (OUR “BROCHURE”). YOU SHOULD HAVE RECEIVED A COPY OF OUR BROCHURE. PLEASE CONTACT US AT 845-598-1784 OR DHENDLER@VIOLA-RISK.COM IF YOU DID NOT RECEIVE OUR BROCHURE OR IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS SUPPLEMENT.

Item 2. Educational Background and Business Experience:

David Alan Hendler, born 1961.

Mr. Hendler is the founder and portfolio manager of Kakiat Capital LLC (the “**Firm**”).

For the past 37 years, Mr. Hendler has been a financial services professional.

Mr. Hendler graduated in 1983 from The Wharton School, University of Pennsylvania with a BS degree in Economics, and in 1986 from New York University Stern School of Business with an MBA degree in business.

Item 3. Disciplinary Information:

Not applicable.

Item 4. Other Business Activities:

- (A) Mr. Hendler is actively engaged in another investment-related business or occupation, as principal and managing member of Viola Risk Advisors, LLC (“**Viola Risk**”), a subscription-based research provider of holistic, enterprise-wide risk management and capital structure investment views on global companies, which provides a substantial source of Mr. Hendler’s income and which involves a substantial amount of Mr. Hendler’s time. Mr. Hendler is not registered as a futures commission merchant (“**FCM**”), commodity pool operator (“**CPO**”), or commodity trading advisor (“**CTA**”), nor is he an associated person of an FCM, CPO, or CTA.
- (B) Mr. Hendler is not actively engaged in any business or occupation for compensation not discussed in response to Item 4.(A), above, that provides a substantial source of Mr. Hendler’s income or involves a substantial amount of Mr. Hendler’s time.

Item 5. Additional Compensation:

Mr. Hendler does not receive, from any non-client, any economic benefit associated with advising clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, client referrals or new accounts (not including salary)).

Item 6. Supervision:

Mr. Hendler understands that he owes a fiduciary duty to clients and therefore must serve the interests of clients with a high standard of care and diligence in accordance with the Firm’s internal policies and procedures. He recognizes that he must be particularly sensitive to situations in which the interests of a client may be in conflict, either directly or indirectly, with his own or those of the Firm. Mr. Hendler takes his compliance obligations seriously. He may consult with the Firm’s external legal counsel or external compliance and operational support consultants (if any) as needed.

Item 7. Requirements for State-Registered Advisers:

- (A)
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - (a) An investment or an investment-related business or activity: **No.**

- (b) Fraud, false statement(s), or omissions: **No**.
 - (c) Theft, embezzlement, or other wrongful taking of property: **No**.
 - (d) Bribery, forgery, counterfeiting, or extortion: **No**.
 - (e) Dishonest, unfair, or unethical practices: **No**.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
- (a) An investment or an investment-related business or activity: **No**.
 - (b) Fraud, false statement(s), or omissions: **No**.
 - (c) Theft, embezzlement, or other wrongful taking of property: **No**.
 - (d) Bribery, forgery, counterfeiting, or extortion: **No**.
 - (e) Dishonest, unfair, or unethical practices: **No**.

(B) N/A.