

**Item 1: Cover Page**

**Advanced Portfolio Management, LLC**

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**March 31, 2021**

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**This *brochure* provides information about the qualifications and business practices of *Advanced Portfolio Management, LLC* (the “Adviser”), an investment adviser registered with the U. S. Securities and Exchange Commission (the “SEC”). Registration with the SEC or with any *state securities authority* does not imply a certain level of skill or training. If you have any questions about the contents of this *brochure*, please contact Robert Kiernan at (212) 838-4700. This information has not been approved or verified by the SEC or by any *state securities authority*.**

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

**Item 2: Material Changes**

This Brochure is Advanced Portfolio Management, LLC's annual update. Clients and prospective clients should carefully review the disclosure contained herein. Registrant failed to disclose the significant planned change in the firm's investment style away from LPs and LLC investments to long/short exchange traded securities as well as its move into whole loans.

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#### Item 4: Advisory Business

Advanced Portfolio Management, LLC (“we,” “us,” “our,” the “**Adviser**,” the “**Firm**,” or the “**Investment Manager**”) is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations as an investment adviser on July 14<sup>th</sup>, 2004 and has been registered with the SEC since January 23<sup>rd</sup>, 2006. Robert E. Kiernan III, the Chief Executive Officer, is the principal owner of the Adviser.

We serve as the investment adviser to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended.

The Adviser manages the following private, pooled investment vehicles:

- Diversified Stable Alpha Fund, Ltd. (“**DSAF**”)
- Phoenix Overlay Fund, Ltd. (“**Phoenix**”)
- APM Kotak India Master Fund, LP, a Cayman Islands exempted limited partnership (the “**Master Fund**”),
- APM Kotak India Fund, LP, a Delaware limited partnership (the “**Onshore Fund**”), and
- APM Kotak India Offshore, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”)

The Adviser also serves as an investment adviser with discretionary trading authority over separately managed accounts (the “**SMA**s”).

The investors are hereafter collectively referred to as the “**Investors**” and individually, each an “**Investor**,” where appropriate. The Master Fund, the Onshore Fund, and the Offshore Fund are herein referred to as a “**Fund**” or collectively the “**Funds**.” The Funds and SMA are collectively referred to as the “**Client**” or “**Clients**” where appropriate.

Clients of the Adviser are large institutions, and the managed portfolios are customized based upon their specific parameters. The Adviser invests in investment limited partnerships, investment limited liability companies, private investment funds, derivatives, and other listed securities.

The Adviser provides advice to Client accounts based on specific investment objectives, risk parameters, and investment strategies, and will tailor advisory services to the individual needs of its Clients. Clients may impose restrictions on investing in certain securities or types of securities.

The Adviser currently does not participate in any Wrap Fee Programs.

As of December 31, 2020, the Adviser had approximately \$ \$1,307,180,779 of regulatory assets under management, \$3,180,779 are managed on a discretionary basis and approximately \$-1,304,000,000 managed on a non-discretionary basis.

#### Item 5: Fees and Compensation

The fee schedule of the Adviser for accounts varies from account to account. The Adviser’s standard management fee for each Fund and SMA based on assets under management ranges from 1.0% to 1.75% annually (the “**Management Fee**”). Under the standard methodology, the Management Fee is paid quarterly, in advance, based on the net assets of each Fund as of the last business day of the immediately preceding month adjusted for the current month's subscriptions and redemptions.

The Management Fee will be prorated for any period that is less than a full fiscal quarter. The Adviser may waive, modify, negotiate or establish fees for certain strategic investors.

The Adviser's standard performance-based fee, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a Client (such as a Client that is a hedge fund or other pooled investment vehicle) is outlined in Item #6.

Consistent with the Investment Advisers Act of 1940 ("**Advisers Act**") and Rule 205-3 thereunder, to the extent applicable, the Adviser receives incentive allocations or performance fees generally based upon net profits allocable to each account or, with respect to Funds, each Investor. The performance allocation or performance fee payable to the Adviser varies from account to account. The standard fee is 10% to 20% of the net profits allocable to a particular account or, with respect to Funds, each Investor. To the extent that fees are negotiable, some accounts, or Investors in a Fund, may pay more or less than other accounts or investors for the same management services, depending, for example, on account inception date, size of investment or total Client assets under management by the Adviser. The Adviser may waive, modify, negotiate or establish fees for certain strategic investors.

Investors in certain multimanager funds may be paying two levels of fees,

In addition to paying investment management fees and, if applicable, performance-based fees, Client accounts may also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses, taxes, duties and other governmental and regulatory charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; and other portfolio expenses.

Client assets may be invested in pooled investment vehicles. In these cases, Clients will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: sales expenses, legal expenses, internal and external accounting, audit and tax preparation expenses; and organizational expenses.

The Adviser is not compensated on the subscription, redemption, sale or purchase of any investments.

Advisory fees are paid on percentage of assets under advisement. All fees are calculated based on pro rata amounts accounting for deposits and withdrawals. Likewise, any funds paid in advance are credited and refunded in the event of withdrawals on a pro rata basis.

Fees on SMAs are calculated using the same methods as fees on funds. Fees are generally deducted from client assets.

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

When the Adviser manages both accounts that are charged a performance-based fee and accounts that are charged an asset-based fee, and Adviser makes a disclosure to the client and allows the client to elect which fees will be credited.

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

The Adviser manages the Funds and the SMAs as described above in Item #4.

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

The Adviser invests in investment limited partnerships, investment limited liability companies, other private investment funds, derivatives, and securities utilizing multi-manager, multi- strategy, and direct investment approach.

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued, and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. There can be no assurance that the investment objectives of any Client will be achieved.

### ***Investment Objectives***

Our investment objectives are to preserve capital and create stable, recurring, low volatility absolute returns uncorrelated with the returns of the major traditional asset classes. The Adviser seeks to achieve these objectives through the construction and dynamic management of portfolios of investments in investment managers and other securities (collectively, the “**Investment Vehicles**”). The Adviser may also pursue risk and return management through the application of “overlay tactics” (a form of risk management derived from regular risk and return attribution analysis) as and when required to access and manage traditional asset class returns and/or mitigate risk.

### ***Investment Process***

The Adviser believes that active investing, carefully implemented, creates exposures to unconstrained, skill-based active returns. The primary objective of the investment process is to identify all of the potential sources of risk and sources of return to construct efficient, well- diversified portfolios that are exposed only to those risks that offer appropriate expected return. By exploiting the relationships between the risks and returns associated with discrete sources of diversification, the Adviser constructs and manages portfolios that generate returns that are uncorrelated with and characterized by generally lower levels of risk than are available within the major traditional asset classes.

For each Investment Vehicle, the Adviser performs extensive quantitative and qualitative research on potential investments and investment managers. The Adviser constructs portfolios for the Investment Vehicles using a variety of quantitative methods. Final portfolio allocation is determined by qualitative judgment informed by this quantitative analysis.

The Adviser also sometimes seeks asset class returns in the form of an index swap, total rate of return swap, futures contract, or other index product.

The Adviser monitors each portfolio on a continual basis, collecting information from underlying investment managers, frequently updating due diligence information, and performing regular risk and return attribution analysis. The Adviser may achieve an additional level of risk and return management through the application of “overlay tactics” as described above.

## ***Risk of Loss Factors***

The Clients may be deemed to be a highly speculative investment and is not intended as a complete investment program. Investments in securities involves a risk of loss that Clients should be prepared to bear. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment, who have a limited need for liquidity in their investment. There can be no assurances that Clients will achieve their investment objectives. The following risks should be carefully evaluated before making an investment. The list of risks below does not purport to be an exhaustive list of the risks relating to an investment.

## **Use of Leverage**

Leverage increases potential returns if Clients earn a greater return on investments purchased with borrowed funds than the Client's cost of borrowing such funds. However, the use of leverage exposes the portfolio to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had we not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the cost of borrowing such funds. In the event of a sudden, precipitous drop in asset value, we might not be able to liquidate assets quickly enough to repay borrowings, further magnifying losses.

In an unsettled credit environment, we may find it difficult or impossible to obtain leverage for clients. In such event, we could find it difficult to implement our strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in us being forced to unwind our positions quickly and at prices below what we may deem to be fair value for such positions.

## **Equity-Related Instruments in General**

We will invest in equity securities and equity-related instruments, including but not limited to publicly listed equity securities, privately offered equity securities and financial instruments that may reference a single issuer, a specific sector or a broad equity index. Equity securities represent ownership interests in their respective issuers and generally carry the most risk associated with a specific issuer's capital structure.

The price of equity securities and their related financial instruments vary for a variety of reasons, including but not limited to supply and demand of the equity securities, the actual or perceived business opportunities associated with the issuer, the current and potential future cash flow of the issuer, the issuer's management, their ability to execute on a specific business plan, the general economic environment, and the outlook for the overall economy. To the extent we own an equity security or otherwise has exposure to an equity security or an equity-related financial instrument, this investment carries the risks associated with owning equities and may also carry risks associated with the form of financial instrument (e.g., options, derivative or securities-based futures contract). Any investment in equities or equity-related instruments entails a significant risk of loss.

## **Short Sales**

We will engage in short selling. Short selling, or the sale of securities not owned by us, involves certain risks. Such transactions expose our Clients to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein we might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices

significantly in excess of the proceeds received earlier.

## **Hedging Transactions**

Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of securities or other of our objectives; (ii) possible lack of a secondary market for closing out a position in an instrument; (iii) losses resulting from interest rate spread or other market movements we did not anticipate; (iv) the possible obligation to meet additional margin or other payment requirements; and (v) default or refusal to perform on the part of the counterparty with which we trade.

The Investment Manager will not attempt to hedge all market or other risks inherent in our positions, and will hedge certain risks, if at all, only partially. Specifically, the Investment Manager may choose not, or may determine that it is economically unattractive, to hedge certain risks — either in respect of particular positions or in respect of the overall portfolio. Our portfolio composition will commonly result in various directional market risks remaining unhedged. The Investment Manager may rely on diversification to control these risks to the extent that the Investment Manager believes it is desirable to do so; however, we are not subject to formal diversification policies.

Our ability to hedge successfully will depend on the ability of the Investment Manager to predict relevant market movements, which cannot be assured. The Investment Manager is not required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as counterparty credit risk. Furthermore, by hedging a particular position, any potential gain from an increase in the value of this position may be limited.

## **Options**

Trading options is highly speculative and may entail risks that are greater than investing in other financial instruments. Prices of options are generally more volatile than prices of other financial instruments. In trading options, the Investment Manager speculates on market fluctuations of the underlying financial instrument (e.g., a security, an index, a commodity, exchange rate or other instrument), while only investing a small percentage of value relative to potential exposure.

The price of any option is a function of direction (e.g., whether the option is a “put”—the right to sell—or a “call”—the right to buy), the time to expiry and the implied volatility of the underlying instrument. Clients may “sell” an option, which means it receives a small payment, or premium, relative to a notional amount, or we may “buy” an option, which means it pays a premium to receive exposure to a larger notional amount. A “seller” of options is generally exposed to the entire notional amount of the option contract and can be exposed to even more risk if it is selling a call option. A “buyer” of options risks losing all of its investment if the option expires “out of the money” (i.e., the trade goes against that option buyer).

Purchasing put and call options, as well as writing these options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.



## **Forward Contracts**

Clients may enter into forward contracts. Trading in forward contracts involves significant risks. Forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. Clients, when trading forward contracts, is therefore subject to the risk of credit failure or the inability of or refusal of forward contract dealers to perform with respect to its forward contracts. There is no limitation on the daily price movements of forward contracts, and a dealer is not required to continue to make markets in these contracts. There have been periods during which forward contract dealers have refused to quote prices for forward contracts or have quoted prices with an unusually widespread between the bid and ask price. Forward contract trading may therefore be or become highly illiquid. In recent years, the terms of forward contracts have become more standardized, and in some instances these contracts now provide a right of offset or cash settlement as an alternative to making or taking delivery of the underlying asset.

## **Swaps**

Whether our use of swap agreements or swaptions (defined below) will be successful will depend on the Investment Manager's ability to select appropriate transactions. Swap agreements and options on swap agreements ("swaptions") can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease the holder's exposure to, for example, equity securities, long-term or short-term interest rates, non-U.S. currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of the portfolio. Moreover, our Clients bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. Clients will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect our ability to terminate swap transactions or to realize amounts to be received under such transactions.

## **Derivatives**

Derivatives, such as futures contracts, options, forward contracts and swaps, allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, or index at no cost or at a fraction of the cost of investing in the underlying asset. The value of this type of instrument depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to trading derivatives related to this asset.

Use of derivative instruments presents various risks which include the following:

- **Tracking** - When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent us from achieving the intended hedging effect or expose our Clients to the risk of loss.
- **Liquidity** - Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets we may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which we may conduct transactions in derivative instruments may prevent prompt liquidation of positions, subjecting our Clients to the potential of greater losses.
- **Leverage** - Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments magnifies the gains and losses experienced by our Clients and could cause the net asset value to be subject to wider fluctuations than would be the case if we did not use the leverage inherent in derivative instruments.

- OTC Trading - Derivative instruments that may be purchased or sold may include instruments that are not traded on an exchange. The risk of non-performance by the obligor on these instruments may be greater and the ease with which we can dispose of or enter into closing transactions with respect to these instruments may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “ask” prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with these transactions.
- Regulation of Over-the-Counter Transactions - The Dodd-Frank Act includes provisions that comprehensively regulate the OTC derivative market. The implementation of these regulations is ongoing as of the date of this Memorandum. Although the effects of the Dodd Frank Act on the OTC market have yet to be determined, dealers and other market participants are subject to additional clearing and margin requirements, as well as registration obligations and other regulatory requirements, such as business conduct standards, disclosure requirements, reporting and recordkeeping requirements and disclosures of conflicts of interest and other regulatory burdens. It is likely that these new and ongoing requirements increase the overall cost for OTC derivative dealers and other market participants, which may be passed along, at least partially, to market participants, such as our Clients, in the form of higher fees, decreases liquidity, less advantageous dealer marks and increased margin costs. The overall impact of the Dodd-Frank Act is highly uncertain and it is unclear how OTC markets and markets generally have adapted to this regulation.

To the extent we have entered into a derivative, our Clients will be exposed to the risks described above.

### **Lack of Diversification; Concentrated Portfolio**

We will generally have a concentrated portfolio. The portfolio may not be diversified among a wide range of issuers, industries, geographic areas, capitalizations or types of securities and may have significant, concentrated positions. As a result, the investment portfolio may be subject to more rapid changes in value than would be the case if we were required to maintain a wide diversification among geographic areas, issuers, industries, capitalizations or types of securities.

We are not be subject to any significant limitations on the amount of capital that may be committed to any one investment. Our objective is to invest capital in those situations that the Investment Manager believes will offer the greatest risk-adjusted returns. Accordingly, Clients may from time to time hold a few, relatively large (in relation to capital) securities positions, with the result that a loss in any such position could have a material adverse impact on our Client’s returns.

### **Trading Curbs**

Certain exchanges or markets may impose trading restrictions, also referred to as circuit breakers, which limit or stop trading in certain instruments when certain thresholds have been crossed. When a trading restriction is imposed, we may be unable to enter into or close out desired positions or effectively hedge its existing portfolio, including when our trades paired positions in different markets and a trading restriction impacts only one leg of the paired position.

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

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

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

Neither the Adviser nor any of its management persons is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer. There are no material relationships or arrangements with industry participants that create a material conflict of interest. The Advisor does manage other pooled vehicles and manages potential conflicts of interest according to the rules set out in its Code of Ethics.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the our Clients before our own interests and to act honestly and fairly in all respects in our dealings with our Clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Robert Kiernan, by email at [rkiernan@apmcap.com](mailto:rkiernan@apmcap.com), or by telephone at (212) 838-4700.

The Adviser, in the course of its investment management and other activities (e.g. board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser and its related persons may invest their personal funds in the Funds, and, therefore, such persons may hold the same securities as other Investors in the Funds. However, without prior approval from the Compliance Officer, employees and related parties of the Adviser are restricted from purchasing or holding securities in their personal accounts that are on the Firm’s Restricted List.

The Adviser has established procedures intended to limit conflicts of interest in cases where the Adviser, a related person or any of their employees, buys or sells securities recommended by the Adviser to its Clients.

The Adviser has also established procedures to protect the privacy and maintain the confidentiality of information received about and from its Clients.

## **Item 12: Brokerage Practices**

In the situation where brokers are involved, the selection of the broker will be allocated to brokers on the basis of best execution and in consideration of such broker’s provision or payment of the costs of research and other services or property which are of benefit to the Client. In its own selection of brokers and negotiations of commission rates, the Adviser will take into account the financial stability and reputation of brokerage firms, the brokerage and research and related execution services provided by such brokers

(consistent with best execution), although Clients for which the transaction was effected, may not, in any particular instance, be the direct or indirect beneficiary of the research or related services provided.

The Adviser may aggregate orders of its accounts for trade execution and thereafter allocate the securities on an average price basis to such accounts. Brokerage commission rates are not reduced as a result of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single Client.

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

Robert Kiernan, CEO and CCO of the Adviser, Adri Guha, CIO of the Adviser, and Rahul Kakar, Principal of the Adviser (the “**Reviewers**”) are generally aware of the holdings in each Client's account on a continuous basis. These holdings are monitored by the Reviewers in light of trading activity, significant corporate developments, and other activities which may dictate a change in portfolio positions.

In the situation where the Client is a pooled investment vehicle, the Client will distribute reports pursuant to the terms of the Client's offering memorandum or as described in the offering document.

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

The Adviser may make cash payments to third-party solicitors for Client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective client with a copy of the Adviser's Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor which are paid as a percentage of the capital raised. Where applicable, cash payments for Client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.

The Adviser does not have any “soft dollar” arrangements with brokers.

### **Item 15: Custody**

According to the definition of “**Custody**” contained in the Advisers Act's “**Custody Rule**,” we are deemed to have Custody of funds and securities of Investors in our Funds. We comply with the Custody Rule's requirements by meeting the conditions of the pooled investment vehicle “audit approach.” Upon completion of the relevant Funds' annual audit by an independent auditor (registered with, and subject to examination by, the Public Company Accounting Oversight Board or PCAOB), we will distribute the audited financials to Investors within 120 days of such Funds' fiscal year end.

### **Item 16: Investment Discretion**

The Adviser provides investment supervisory services on a discretionary basis and on a non-discretionary basis. The authority of the Adviser in managing our Client's assets is governed by the relevant investment management agreement with the client and/or pursuant to offering documents.

Clients' investments may differ because of various factors including investment objectives and strategies, risk tolerances, and other criteria, and accordingly, there may be differences among invested positions and securities held. Where investments are considered appropriate for more than one Client, it is the Adviser's policy to allocate investment opportunities to eligible Client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts).

**Item 17: Voting Client Securities**

The Adviser has adopted Proxy Voting Policies and Procedures (the "**Procedures**") that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of its Clients. The Procedures also require that the Adviser identify and address conflicts of interest between the Adviser and its Clients.

The Adviser has elected not to exercise its voting authority with respect to Client securities.

Investors may obtain a copy of our Proxy voting policies and procedures by contacting the [CCO](#) Robert Kiernan by email at [rkiernan@apmcap.com](mailto:rkiernan@apmcap.com) or by telephone at (212) 838-4700.

**Item 18: Financial Information**

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.

**Item 19: Requirements for State-Registered Advisers**

This item is not applicable.