

FORM ADV PART 2A: Firm Brochure

**Kosmos Management, LLC**

601 Union Street, Suite 3900  
Seattle, WA 98101  
(206) 624-8111

March 31, 2021

**This Firm Brochure provides information about the qualifications and business practices of Kosmos Management, LLC. If you have any questions about the contents of this Firm Brochure, please contact David Kraft at (206) 946-6277 or [dave.kraft@kosmosllc.com](mailto:dave.kraft@kosmosllc.com). The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities authority.**

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

## **Item 2 - Material Changes**

This Firm Brochure (the “Brochure”) has been updated as part of our annual filing. Since our last annual updating amendment dated March 30, 2020, Kosmos Management, LLC (“Kosmos”) has made the following changes to this Brochure dated March 31, 2021:

Item 4: Updated Regulatory Assets Under Management.

Item 5: Removed reference to performance fee or allocation relevant to the General Partner as it is no longer applicable. Clarified how Kosmos addresses conflicts of interest related to annuities.

Item 6: Added clarification to how conflicts of interest are mitigated regarding performance-based fees.

Item 10: Removed the reference to CSM Pacific receiving commissions on the purchase of annuities by a client Fund. Removed reference to performance fee or allocation relevant to the General Partner as it is no longer applicable. Further clarified Kosmos Insurance Services LLC’s ability to receive compensation in relation to the services performed by Kosmos.

Item 12: Added a description of the policy on how Kosmos selects life settlement providers for purchase of life insurance policies, clarified procedures for annuity selection, and included a description of Kosmos’ procedures for determining that the allocation of investment opportunities is fair and equitable.

Other amendments were made to this Brochure, which are not discussed in this summary, and consequently, we encourage you to read the Brochure in its entirety.

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#### **Item 4 - Advisory Business**

Kosmos Management LLC (“Kosmos,” the “firm,” “we,” “us” or “our”), a Delaware limited liability company, was founded in April, 2011. G. Chris Kosmos and certain of his family members are the principal owners of, and control, Kosmos.

Kosmos currently provides both discretionary and non-discretionary investment management services related to a specific limited investment strategy to three funds organized as Delaware limited partnerships. Kosmos Funds LLC, an affiliate, is the general partner of two of these partnerships (the “General Partner”). The Funds’ investment strategy is to generate a stable income stream by investing in life settlement policies and annuities in accordance with certain criteria specified in the governing documents and agreements pertaining to each partnership.

Kosmos does not currently manage any other investment entities or separate accounts but anticipates that it may provide investment advisory service to separately managed accounts and may launch new investment funds in the future that employ the same or similar investment strategy (each such separate account or fund, together with the Funds, a “Fund” and collectively, the “Funds”). Kosmos currently limits its advisory services to the types of investments used in the investment strategy described above.

The terms for each Fund may be disclosed in detail in the relevant client agreements and/or Fund’s offering documents that are provided to prospective investors prior to investment. Each Fund will be managed in accordance with the investment objectives, strategies and guidelines and the terms and conditions of investment, set out, to the extent applicable, in their respective private placement memoranda, organizational, governing and other related documents (together, the “Governing Documents”). A prospective Fund Investor must consider whether a Fund is an appropriate investment, including with respect to such Fund Investor’s investment objectives and risk tolerance.

Kosmos treats each Fund as an “advisory client” or “client.” A single investor Fund may be structured with Investor-imposed restrictions that limit the discretionary authority of Kosmos and tailor the advisory service to the needs of the client. With respect to pooled Funds, Kosmos neither tailors its advisory services to the individual needs of investors in the Funds (each, a “Fund Investor”) nor generally accepts Fund Investor-imposed investment restrictions with respect to the Funds. Kosmos may take into consideration the general characteristics of its target Fund Investors, but not necessarily the characteristics of any specific Fund Investor. An investment in a Fund does not, in and of itself, create a client-adviser relationship between any Fund Investor and Kosmos.

As of December 31, 2020, Kosmos has approximately \$132,000,000 of assets managed on a non-discretionary basis and \$873,000,000 of assets under discretionary management.

#### **Item 5 - Fees and Compensation**

Clients and Fund Investors of Kosmos are expected to be qualified purchasers, as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the “Investment Company Act”). The specific payment terms and conditions of the fees and compensation to Kosmos will be set forth in the relevant Governing Documents of the Fund or client agreements.

As such, a detailed Fund or client fee schedule is not included in this Brochure. However, most clients and Fund Investors will be expected to pay to Kosmos (directly, or indirectly through the Fund) a management or servicing fee that is generally billed either monthly or quarterly in advance equal to a specified percentage of the total capital under management or invested for the relevant client or Fund (a “Management Fee”).

In addition, a related party to Kosmos will receive commissions from insurance companies when annuities are purchased by a Fund or on behalf of a client account. The receipt of a commission in connection with each purchase of annuities presents a conflict of interest and gives Kosmos and its supervised persons an incentive to recommend the annuities based on the compensation received, rather than on the annuity with the highest payout for the fund or client account. Kosmos addresses that conflict by limiting investment discretion so that all annuity purchases are made under specific guidelines disclosed to the client (including, in the case of a Fund, each of the Fund Investors). In certain circumstances, such commissions could provide the primary compensation to Kosmos from a Fund or other client.

The Management Fee will generally be paid either monthly or quarterly in advance based on committed and/or deployed capital at the end of the prior quarter. If an account or Fund terminates other than as of a quarter-end, the Management Fee will be adjusted and rebated on a prorated basis.

Kosmos and each Fund has the right to enter into agreements with one or more of its Fund Investors providing waiver or modification of certain terms of the offering of Fund interests, or certain rights and obligations of Fund Investors, including fees, otherwise applicable to such interest(s), in each case without notice to the other Fund Investors.

**It is critical that Fund Investors refer to the relevant Fund’s Governing Documents for a complete understanding of how Kosmos and the General Partner are compensated for their services and how fees are deducted from Fund assets. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund’s Governing Documents which shall govern.**

*Additional Fees and Expenses.* In addition to the fees described above, each Fund bears its own expenses as described more fully in the Fund’s Governing Documents. These expenses will generally include, for example, the Fund’s organizational expenses; fees and expenses paid to third-party service providers, such as lawyers, accountants and consultants; indemnification and insurance expenses and any litigation expenses involving the Fund; custodian fees, brokerage fees and other transaction costs, including those incurred in connection with the acquisition, holding and disposition of proposed or actual investments; expenses of liquidating the Fund; and any taxes, fees or other governmental charges levied against the Fund. Additional information about brokerage is provided in Item 12 of this Brochure.

More detailed information about specific fees and expenses that clients and Fund Investors may pay or bear and the timing of the fees that Kosmos charges is provided in the relevant agreement between Kosmos and the relevant client or in the Governing Documents of the applicable Fund.

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

Kosmos currently manages three Funds, and it may manage additional Funds where the bases for compensation of Kosmos in such Funds and accounts differ. Such situations give rise to potential conflicts of interest involving the allocation of investment opportunities among Funds. Kosmos may have an incentive to favor those Funds or client accounts whose fees are higher. Kosmos recognizes that it is a fiduciary and as such must act in the best interest of the Funds and other clients. Further, Kosmos recognizes that it must treat all Funds and clients fairly and must refrain from favoring one Fund or client over another. It is Kosmos' policy to mitigate the potential conflict of interest by not starting or accepting a new Fund until the investment period of the existing Fund has closed unless the investment guidelines of the new fund differ from the guidelines of the existing Fund(s) (i.e., the guidelines are mutually exclusive) so that it is clear as to which fund each investment opportunity should be allocated.

## **Item 7 - Types of Clients**

As described in Item 4 above, Kosmos currently offers investment advisory services to three Funds. Kosmos may provide such services to additional Funds or other investment vehicles in the future.

The types of Investors in the Funds may include pension plans and other institutional investors.

The minimum initial investment has been \$100,000,000. The minimum initial investment for other Funds Investors may be determined when the Funds are launched or as agreed to with the client. This minimum may generally be increased, reduced or waived by the General Partner of the applicable Fund, subject to any applicable statutory minimums.

Fund interests may be offered only to a limited number of individual and institutional investors that qualify as: (i) "accredited investors", as defined in Rule 501 under Regulation D promulgated under the U.S. Securities Act of 1933; and (ii) "qualified purchasers" or "knowledgeable employees", as defined in the Investment Company Act and the rules promulgated thereunder. Fund Investors also need to meet additional requirements set forth in a Fund's Governing Documents.

This Brochure will be provided to prospective clients and as appropriate, Fund Investors, together with the Fund's Governing Documents, prior to or in connection with such consideration or execution of an investment in a Fund, and will subsequently be provided periodically to each Fund. The Fund, Fund Investors and other recipients should be aware that while this Brochure may include information about the Funds, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with any Fund. More complete information about the Funds is included in the Governing Documents, which may be provided to current and eligible prospective Fund Investors only by Kosmos or another authorized party.

**In no event should this Brochure be considered to be an offer of interests or shares in a Fund or relied upon in determining whether to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.** Rather, this Brochure is designed solely to provide information about Kosmos for the purpose of compliance with certain obligations under

the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”), and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in the Governing Documents. **To the extent that there is any conflict between discussions herein and similar or related discussions in any of the Governing Documents, the Governing Documents shall control.**

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

Investing involves the risk of loss that Fund Investors and other clients should be prepared to bear. Fund Investors and other clients could lose some or all of their investment.

### Investment Strategy

As previously described, Kosmos offers investment management services related to a specific limited investment strategy. Pursuant to this strategy, Kosmos seeks to provide Fund Investors with a stable income stream by investing in insurance products in accordance with certain criteria specified in the Governing Documents of the applicable Fund or in client agreements. In connection with this strategy, a Fund will buy life policies and annuities issued by insurance companies maintaining investment grade credit ratings at the time of the purchase of such life policies and annuities.

### Risk Factors

As a general matter, investing in life policies and annuities involves a risk of loss that investors should be prepared to bear.

There can be no assurance that the investment objectives of a Fund will be achieved and investment results may vary substantially on a quarterly and annual basis. There is high risk associated with an investment in a Fund and an investment in a Fund should only be made after consultation with independent qualified sources of investment and tax advice.

Moreover, and as explained more fully in each Fund’s Governing Documents, the specialized investment program of each Fund involves risks which include, but are not limited to:

- Illiquidity and long-term nature of investments with no assurances that the Fund can realize its investments in a timely manner;
- Limited number of investments meaning that poor performance by a few investments could severely affect the Fund’s total returns;
- The financial performance of the Fund is dependent, in part, on the ability of Kosmos to purchase life policies meeting its investment criteria. The supply, availability and market of life policies is uncertain and not guaranteed. Changes in the economy and other changed circumstances may result in a reduced supply of life policies or annuities. Should this occur prior to fully investing committed capital, Kosmos may not be able to execute its investment strategy and capital called which had not yet been invested would be returned to Fund Investors. Capital is generally only called to acquire specific investments;

- Although Kosmos may conduct certain diligence in advance of investing in life policies, and state regulation of the life settlements industry includes significant fraud-prevention measures, there is a risk that the Fund will be defrauded;
- The life or annuity insurance company may go out of business or otherwise suffer a financial reversal and such company may not have sufficient funds to pay the liabilities with respect to the life policies or annuities it issued, and the Fund's performance would be reduced as a result. The credit rating of an insurance company may decline after the Fund has purchased a policy or annuity;
- A purchaser of a life policy must have an "insurable interest" in the individual's life at the time a life policy is written. Policies without an insurable interest as determined under applicable state rules, regulations or legal interpretations may be declared void or unenforceable. Changes in such rules, regulations or interpretations may reduce the value of, or make unenforceable, life policies held by the Fund or reduce the overall market for life policies, which would have a material adverse effect on the Fund; and
- The success of the Fund(s) is heavily dependent on the activities, judgment and availability of Kosmos, including the members. The Funds rely upon the ability of Kosmos to make investment decisions consistent with the Funds' investment objectives and policies. Investors will not have the opportunity to personally evaluate the relevant economic, financial and other information that Kosmos will use when selecting and monitoring investments. Should the members of Kosmos terminate their relationships with Kosmos, die or become otherwise incapacitated for any period of time, profitability of the Funds' investments may suffer. In addition, should Kosmos terminate its relationship with the Funds, the profitability of the Funds' investments may suffer.

**The foregoing list of risk factors is not an exhaustive explanation of the risks involved in an investment in a Fund. It is critical that Fund Investors refer to the relevant Fund's Governing Documents for a more complete understanding of that Fund's investment objectives and strategies. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents.**

**An investment in a Fund may be deemed speculative and is not intended as a complete investment program. There can be no assurance that the investment objective of a Fund will be achieved. A Fund is designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Fund.**

#### **Item 9 - Disciplinary Information**

Kosmos and its employees have not been involved in any disciplinary events that require disclosure in response to this Item 9.

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

Kosmos Insurance Services LLC and CSM Pacific Ltd, affiliates of Kosmos, are Seattle-based insurance brokerage firms with extensive knowledge of complex insurance products. Mr. Kosmos



and certain other members of the Kosmos management team are licensed insurance agents doing business under one or both of these entities.

Kosmos Insurance Services LLC receives commissions from insurance companies when annuities are purchased by a Fund or on behalf of a client account. The receipt of a commission in connection with each purchase of annuities presents a conflict of interest and gives Kosmos and its supervised persons an incentive to recommend the annuities based on the compensation received, rather than on a Fund's or other client's needs. Kosmos addresses that conflict by limiting investment discretion so that all annuity purchases are made under specific guidelines disclosed to the client (including, in the case of a Fund, the Fund Investors).

An affiliate of the firm, Kosmos Funds LLC, is the general partner of at least one Fund (the "General Partner"). Other affiliates of Kosmos may be created in the future to serve as general partner to other Funds. Because the General Partner and Kosmos are affiliates, there is a disincentive for the General Partner to replace Kosmos as investment manager to the Funds, and for any other affiliated general partners in the future to replace Kosmos as investment manager to those applicable Funds.

Kosmos Insurance Services LLC, Kosmos Funds LLC, CSM Pacific Ltd, and Kosmos share office space and personnel. As stated in the Governing Documents of each Fund, Kosmos principals and personnel may devote to the Funds as much time as deemed reasonably necessary and appropriate in accordance with the terms of the Fund's Governing Documents. By the terms of each Fund's Governing Documents, Kosmos and its principals are not currently restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of Kosmos and its principals. These activities could be viewed as creating a conflict of interest in that the time and effort of Kosmos and its personnel will not be devoted exclusively to the business of the Funds, but will be allocated between the business of the Funds and the management of CSM Pacific and any such other investment funds or other business activities.

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

To help ensure the satisfaction of its fiduciary obligations to clients, Kosmos has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees of Kosmos are expected to uphold: (i) employees must at all times place the interests of clients first; and (ii) all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest must be avoided or appropriately mitigated.

The Code also addresses and governs the giving and receiving of gifts and entertainment, service on outside boards of directors and other outside business activities generally. Kosmos personnel are required to certify to compliance with the Code on a periodic basis. Clients, prospective clients and Fund Investors may request a copy of the Code by contacting the firm at the telephone number or e-mail address listed on the first page of this Brochure.

In addition, in the event that Kosmos from time to time manages more than one Fund or client account, it is likely that such Funds and client accounts will invest in similar investments and that may create a conflict of interest. Kosmos will use its best judgment to be fair and equitable to all Funds and other client accounts to minimize this conflict of interest.

#### Additional Financial Interests in Client Transactions

Kosmos generally does not engage in principal transactions (i.e., the purchase or sale of securities for its own account to or from the Funds or a client account). Should Kosmos effect any principal transactions, it will comply with all applicable requirements, including obtaining appropriate consent from the Funds or other client.

### **Item 12 - Brokerage Practices**

#### A. General Practices

Kosmos uses licensed life settlement providers for the purpose of purchasing or selling life policies on behalf of the Funds or other client accounts. Kosmos negotiates the price to pay for a policy which may include compensation for the provider and insurance brokers. Kosmos purchases annuities on behalf of the Funds or client accounts from insurance companies that offer such products using the service of an affiliated broker. The commission rates paid to the affiliate vary by insurance carrier. As explained in Item 5, the receipt of a commission in connection with each purchase of annuities presents a conflict of interest and gives Kosmos and its supervised persons an incentive to recommend annuities based on the commission compensation received, rather than on a Fund's or other client's needs.

Kosmos generally does not permit Fund Investors or other clients to direct transactions to specific providers, brokers or insurance companies.

#### B. Selection Criteria

Kosmos generally selects the life settlement providers that it works with based on the ability of the provider to obtain policies that meet the Fund's or other account's investment objectives.

When making an offer to purchase a life insurance policy, Kosmos does not seek the lowest cost for each transaction because the same transaction is not available from each life settlement provider. If a life insurance policy is offered for sale by more than one life settlement provider, Kosmos has a policy of generally working with the provider that submits the policy information first to us. In this situation, the seller of the policy has submitted the policy to multiple life settlement providers who are competing with the other providers in a competitive bidding process where their fees are incorporated into the amount bid for the policy.

Factors considered in the selection of life insurance policies include price of the policies, the credit rating of the insurance company associated with the policy, portfolio constraints or restrictions that apply to the Fund or account, and the ability of the provider to execute the transactions in a timely manner.

Kosmos generally selects annuities based on the annuity payout relative to the cost of the annuity and based on the specific portfolio constraints or restrictions for the acquisition of the annuities that apply to the specific Fund or account. Kosmos does not select the annuity based on the commission paid by the insurance company.

C. Use of Soft Dollars

Kosmos does not enter into soft dollar arrangements.

D. Brokerage for Client Referrals

Kosmos does not receive Fund Investor (or other client) referrals from providers or third parties in return for selecting providers to execute Fund or other client transactions.

E. Allocation of Transactions

Kosmos policy related to making allocation decisions with respect to limited investment opportunities that could reasonably be expected to fit the investment objectives of multiple clients is described in Item 6. Kosmos considers one or more of the following factors that it deems relevant in the application of that policy: the investment objectives of the Fund or client account, the source of the investment opportunity, the expected duration of the investment in light of Fund's or other account's investment objectives and policies (including diversification policies), the amount of available capital, the size of the investment opportunity, regulatory and tax considerations, the degree of risk arising from an investment, the expected investment return, relative liquidity, likelihood of current income or such other factors as Kosmos deems to be appropriate. These factors limit the discretion Kosmos has in allocating investment opportunities. Further, two or more Funds or other clients may hold an investment for which there is extremely limited, or zero, liquidity or that is subject to legal or other restrictions on transfer. In a situation where Kosmos is limited in its ability to dispose of an investment, Kosmos may make allocation decisions in a manner similar to that described above in respect of such sale.

If an investment opportunity is available in limited quantities, Kosmos may have an incentive to allocate such investment opportunity to one Fund or other client rather than to other Funds or clients. The economic interests of Kosmos represented by their rights to Management Fees or other fees from such Funds or other clients, may be significantly larger than their economic interests in other Funds or clients. Kosmos will use its best judgment to be fair and equitable to all Funds and other client accounts to minimize this conflict of interest. Each bid for a life insurance policy identifies the Fund for which the bid applies based on the investment guidelines of the applicable Fund. The allocation to the Fund is reviewed at the time of bid by the Investment committee to ensure that the allocation is consistent with the investment guidelines and is fair and equitable to all Funds.

The General Partner, Kosmos and any of their respective affiliates may engage in "client cross" transactions in which the General Partner or Kosmos cause a transaction to be effected between one or more Funds and/or other accounts, on the one hand, and one or more other Funds or accounts managed or advised by it or any of its affiliates. By making a capital commitment to a Fund, each Fund Investor acknowledges and consents to the General Partner or Kosmos effecting client cross-transactions.

A Fund or other account generally will not be allowed to make investments in which the General Partner, Kosmos or its members or their respective affiliates has an interest without the prior approval of the affected Fund or client. The General Partner and its affiliates may from time to time incur expenses in connection with investments to be made on behalf of the Funds and other clients. The General Partner and its affiliates will attempt to allocate such expenses on a basis they consider to be fair and equitable.

#### A. Trade Errors

As a result of indemnification and exculpation provisions provided in the Funds' Governing Documents or applicable client agreements (which generally impose liability on Kosmos and its affiliates only in the case of willful misconduct or gross negligence), any negative or positive results of bad investment decisions or errors will generally be borne by the Funds or other client rather than by Kosmos, so long as Kosmos and its affiliates adhere to the standard of care set forth in the Governing Documents or other client agreement, as applicable. In determining whether Kosmos has satisfied the standard of care such that the Fund or client account is responsible for a loss resulting from bad investment decisions or errors, Kosmos will have a conflict of interest between its economic interest and the economic interest of the Fund or other account. Finally, the standard of care set forth in the Governing Documents or other client agreement does not constitute a waiver of any legal rights to the extent (and only to the extent) that any applicable U.S. federal securities laws or any other laws provide that such rights are not permitted to be contractually waived.

### **Item 13 - Review of Accounts**

Designated personnel of Kosmos review investment positions on a periodic basis, and no less frequently than quarterly. The individuals primarily responsible for account reviews are the portfolio manager(s) of a given Fund or other account, although other persons who are not portfolio managers may be substantially involved and/or responsible for carrying out such reviews. As described earlier, Kosmos advises Funds and other clients on a specific limited investment strategy. These investments generally require limited investment management after acquisition. The account review determines if initial account projections, which are determined at asset acquisition, are being realized. Such positions are monitored using the proprietary Kosmos data base, which seeks to enable Kosmos to identify variations from plan projections and take appropriate measures as necessary.

Fund Investors in each Fund receive annual audited financial statements within 120 days of fiscal year end and written quarterly unaudited financial statements for such Fund and, if applicable, information necessary for Fund Investors to complete annual federal income tax returns. The firm may also upon request provide certain investors with information on a more frequent and detailed basis if agreed to by Kosmos.

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

Kosmos has entered into, and in the future, may enter into additional contractual agreements with individuals and/or organizations who act as placement agents in the solicitation of Fund Investors. While the specific terms of each arrangement may differ, generally, compensation based on a

number of factors including the size of the Fund Investor, degree of participation in the client account, and ongoing participation in the client relationship. The payment of compensation to a Solicitor will not result in an increase in the fees charged by Kosmos. The cost of these referral fees is paid entirely by Kosmos and is not borne by the referred investor or by the Funds.

### **Item 15 - Custody**

Kosmos or its affiliates are deemed to have “custody” of the assets of the Funds within the meaning of Rule 206(4)-2 under the Advisers Act because an affiliate serves as general partner. To comply with Rule 206(4)-2, Kosmos will ensure that each Fund that Kosmos is deemed to have custody is audited annually by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, and that the results of the annual audits are distributed to each Fund Investor within 120 days of the Fund’s fiscal year end. Fund Investors should carefully review the audited financial statements of the Funds upon receipt. If a Fund Investor has invested in a Fund and has not received such financial statements in a timely manner, such Fund Investor should contact Kosmos immediately.

### **Item 16 - Investment Discretion**

Subject to limitations in the various agreements Kosmos has with particular clients, or as provided in the Governing Documents of a Fund, Kosmos may have discretionary authority to make investment decisions with respect to the specific investments to be bought or sold for its clients, the providers and brokers to be used and the selection of annuities to acquire.

Currently Kosmos has discretionary authority for most investments under management and a non-discretionary relationship while certain investments are being acquired. Kosmos may make investments in accordance with the Funds’ investment objectives and guidelines as set forth in the Fund’s Governing Documents or as otherwise agreed to with clients.

Prospective Fund Investors are provided with appropriate Governing Documents prior to their investment and are encouraged to carefully review all relevant Governing Documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk.

### **Item 17 - Voting Client Securities**

A Fund or other client may own insurance policies issued by a mutual insurance company that may give the policyholder a right to a proxy vote. This is considered unlikely. However, Kosmos has adopted policies and procedures which it believes are reasonably designed to ensure that Kosmos managers vote proxies in the best interests of the Fund or other client. For example, all proxy votes would be reviewed in advance by the Chief Compliance Officer to determine whether a material conflict of interest exists between the applicable manager and the interests of the Fund or other client, as applicable. In the event that a material conflict of interest is identified, the Chief Compliance Officer or designee may take such steps as he or she deems necessary in order to determine how to vote the proxy in the best interests of the Fund or other client. In each instance, when exercising voting discretion, Kosmos seeks to avoid any direct or indirect conflict of interest when exercising their voting decision.

Other than as described above, Kosmos does not expect that a Fund or other client account will hold any securities that would entitle the Fund or client account to vote a proxy.

Clients and Fund Investors are not permitted to direct how proxies will be voted in a particular situation.

To receive a record of proxy votes, if any, of a Fund or for a client account or for more information related to the voting policies and procedures, including requesting a copy of our Proxy Voting Policies and Procedures, please contact Kosmos at the telephone number or e-mail address listed on the first page of this Brochure.

### **Item 18 - Financial Information**

Kosmos does not require or solicit prepayment of fees six months or more in advance, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

#### **Brochure Disclosure:**

In no event should this disclosure brochure be considered to be an offer of interests in any of Kosmos's private fund client(s) or relied on in determining whether to invest in any private fund client. It is also not an offer of, or agreement to provide, advisory services directly to any recipient of the brochure. Rather, this brochure is designed solely to provide information about Kosmos for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940 and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided to potential investors in Governing Documents and/ or offering documents. To the extent that there is any conflict between any discussion in this brochure and the Governing Documents and/or offering memorandums provided to investors, the Governing Documents and/or memorandums provided to such investors should govern.