

## **Item 1 – Cover Page**

### **FORM ADV PART 2A: FIRM BROCHURE**

#### **Cohen Klingenstein LLC**

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Phone Number: (212) 757-0235

September 13, 2021

This brochure (the “Brochure”) provides information about the qualifications and business practices of Cohen Klingenstein LLC (“CK LLC”). If you have any questions about the contents of this Brochure, please contact us by phone at (212) 757-0235 or by email at [ckllc@cohenklingenstein.com](mailto:ckllc@cohenklingenstein.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities regulatory authority.

This Brochure, required by the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), is a very important document for current and prospective clients (“clients”, “you” or “your”) that contains disclosures from CK LLC (the “Firm”, “us”, “we” or “our”).

Additional information about CK LLC is also available to you free of charge on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To access additional information about our Firm, please go to the website and search for our Firm by name. Click on our Firm in the search results and you will find our Form ADV Part 1 and this Form ADV Part 2A.

We are a registered investment adviser with the SEC. Our registration as an investment adviser under the Advisers Act does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you can use to evaluate us and may be a factor in your decision to hire us or retain our services.

## **Item 2 – Material Changes**

We have made material changes to this brochure since the last annual amendment dated March 31, 2021.

Item 9 – Disciplinary Information. *Cohen Klingenstein* CK LLC (“CK”) failed to submit a required regulatory form in a timely manner and as a result, CK LLC consented to an oOrder from the Securities and Exchange Commission to pay a monetary civil penalty and to cease and desist from violating the charged provisions..

Item 10 – Other Financial Industry Activities and Affiliations. CK LLC personnel are permitted to serve on the boards of directors of companies, including public companies. As such, CK LLC personnel may get exposed to material non-public information which may require CK LLC to be restricted from trading in those issuer securities and other related issuers.

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## Item 4 – Advisory Business

CK LLC is a Delaware limited liability company that has been registered as an investment adviser with the SEC since September 16, 2008. George M. Cohen and Thomas D. Klingenstein, both managing members of CK LLC, are the principal owners of CK LLC.

The Firm currently advises one private investment fund, the CK Diversified Fund LLC (“Diversified Fund”), a Delaware limited liability company that commenced operations in 2013. The Diversified Fund offers a tax-sensitive investment strategy and may be referred to herein separately as the “Fund.” CK LLC is the sole investment manager (“Manager”) to the Fund. Certain other terms used in this Brochure in connection with the Fund have the definitions given in the Fund’s governing documents.

The Firm manages securities portfolios and serves as an investment adviser for individuals, corporations, trusts, foundations, corporate profit sharing plans, individual retirement accounts, charitable organizations and private investment funds, including the Fund.

The Firm generally expects to primarily invest in U.S. securities, although it may also invest in non-U.S. securities from time to time.

The Firm expects to limit its advice to the products and accounts listed above. The Firm may manage additional separate accounts and/or private investment funds in the future. In many cases, a more complete discussion of the topics discussed in this Brochure may be available in the governing documents of the account or Fund, as applicable. In the event of any inconsistency between the governing documents of an account or Fund, as applicable, and this Brochure, the governing documents shall prevail.

**This Brochure is not an offer of an interest in a fund, or an offer of, or an agreement to provide, advisory or investment management services directly to any prospective client or investor.** Rather, this Brochure is designed solely to provide information about the Firm in compliance with certain obligations under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and, as such, responds to relevant regulatory requirements under the Advisers Act.

### Assets under Management

As of August 31, 2021 CK LLC managed approximately \$2,565,465,653 of client assets on a discretionary basis.

## Item 5 – Fees and Compensation

As Manager, we receive compensation for our advisory services to the Fund through an advisory fee charged to investors in the Fund, determined with respect to each Fund investor at a rate that the Manager establishes with such Fund investor's consent. We are also compensated for our advisory services through an advisory fee charged to each client typically as a percentage of the assets under management for that client.

### Example Advisory Fee Schedule – Annual Fee

1.00%	First \$2 Million of Assets
0.75 %	Next \$8 Million
0.50 %	Next \$40 Million
0.40 %	Balance above \$50 Million

Advisory fees are subject to negotiation. Fees can be and have been waived at CK LLC's discretion.

We generally bill each separate account for our advisory fees after the end of each calendar quarter based on the quarter-end value of a client's account(s) as determined using our internal portfolio accounting program. If requested in advance by a client, we may also base our advisory fees off of the quarter-end portfolio value determined by the client's independent custodian. Clients may choose whether to receive an invoice directly or have advisory fees automatically deducted from their custodial account subject to written authorization.

Our advisory fees are subject to negotiation or adjustment, based upon a number of client-specific factors and circumstances, including, without limitation, additional accounts at our Firm, the type of client (e.g., individual, institutional investor or private investment fund), and the specific advisory services provided. The amount of and the specific manner in which we charge advisory fees is established in a client's written investment advisory agreement with CK LLC, signed by both parties prior to trading. In the case of an investor in the Diversified Fund, the advisory fee is disclosed in the governing documents or as may be separately agreed between an investor and the Manager.

Each contribution or withdrawal of 10% or more of a client's month-end asset value, made during a calendar quarter, will have the stated advisory fee charged on a pro-rata basis based on the number of days during that quarter the client assets were in the separate account. Accounts opened or closed during a calendar quarter will have the advisory fee pro-rated, based on the number of days in the quarter that we provided investment advisory services. Upon closing of an account, any earned, unpaid fees will become immediately due and payable as of the closing date.

The advisory fees a client pays us (or an investor in the Fund pays us) for our investment management services are exclusive of transactional costs and do not include the following:

- Brokerage commissions;
- Transaction fees;
- Other related costs and expenses.
- Charges imposed by custodians, brokers, third-party investment advisers and other third parties, including but not limited to:
  - Advisory fees and administrative fees charged by mutual funds or exchange-traded funds;
  - Advisory fees charged by sub-advisers (if any are used for the client's account);
  - Custodial fees;
  - Deferred sales charges (charged by mutual funds);
  - Odd-lot differentials;
  - Transfer taxes;
  - Wire transfer and electronic fund processing fees; and
  - Commissions or mark-ups/mark-downs on security transactions.

The client or investor usually pays all of these fees or charges (and neither CK LLC nor any supervised person, participates in or profits from any of this additional expense charged to the client). See Item 12 in this Brochure for additional information and disclosure regarding other costs the client may incur.

The Manager shall bear most of the routine and recurring costs of the Fund. The Manager will bear all of the following expenses on behalf of the Fund:

- The cost of developing and maintaining a partnership accounting system;
- All routine costs and expenses of accounting, audit and tax return preparation services;
- All routine legal, accounting and compliance expenses of operating the Fund and reviewing and updating the Memorandum and other Fund documents from time to time;
- All insurance premiums and all compliance fees and expenses necessary to operate the Fund or arising in connection with the operations of the Fund;
- All costs and expenses arising in connection with the marketing of the Interests;
- All costs and expenses of any third-party administrator of the Fund; and
- All organizational costs of the Fund.

The Manager shall also bear all or such portions of the costs of trading errors, as the Manager shall determine in its sole discretion. The Manager may, as agreed between the Manager and a Fund investor and without notice to any other Fund investor, charge the Fund investor an administration or service fee (in addition to the Management Fee) to cover a pro rata portion of the costs of the Fund borne by the Manager.

The Manager shall also bear or pay from its own resources all normal and recurring overhead/operating expenses incurred in connection with the management of the Fund's investments which are in the nature of expenses the Manager would normally incur and pay if it was not managing the Fund. Such expenses include, but are not limited to, the cost of office space, telephone and utilities, computer equipment and support, expenses of a GIPS audit,

accounting software and the salaries and benefits of secretarial, clerical and other personnel, including traders, analysts and other investment professionals and back office staff.

The Fund bears and reimburses the Manager for (if paid by the Manager) the following Fund expenses:

- (i) The Management Fee;
- (ii) All taxes or governmental charges, brokerage fees, commissions, third-party research costs and expenses, transfer fees, registration fees and other charges or fees arising in connection with the purchase, sale or holding of, or dealing with, investments of the Fund;
- (iii) All custodial fees and bank charges in connection with holding securities and monies for the Fund;
- (iv) All costs and expenses incurred as a result of termination of the Fund and the realization of the Fund's assets;
- (v) All costs and expenses incurred in connection with the withdrawal of an Interest and a Fund investor's withdrawal from the Fund which are not borne by such Fund investor;
- (vi) Any costs and expenses of any litigation involving the Fund and the amount of any judgment or settlement paid in connection therewith, excluding, however, the costs and expenses of any litigation, judgment or settlement in which the conduct of the Manager is found to have violated the LLC Agreement;
- (vii) Any software license fee payable to the Manager in accordance with the LLC Agreement for any period when the Manager is no longer serving as Manager of the Fund;
- (viii) All other reasonable expenses (except the expenses listed above as expenses of the Manager) which may be incurred by or on behalf of the Fund in connection with its business.

It is critical that clients and Fund investors refer to their or the Fund's applicable governing documents for a complete understanding of how CK LLC is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the applicable account's or Fund's governing documents.

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

CK LLC does not currently charge any performance-based advisory fees. Our advisory fee compensation is charged only as disclosed above in Item 5 of this Brochure. We may implement performance-based fees in the future for clients who require or request such arrangements.



## Item 7 – Types of Clients

We provide investment management services to the following types of clients:

- Charitable Organizations
- Corporate Profit-Sharing Plans
- Corporations
- Endowments
- Estates
- Foundations
- Individual Retirement Accounts
- Individuals
- Private Investment Funds, including the Fund
- Trusts

We may provide investment management services to any other type of client including:

- Registered Investment Companies

Our Firm has no minimum account size or minimum holding period for opening or maintaining a separate account with us.

Investors in the Fund must be “accredited investors” and “qualified purchasers.” Current investors in the Diversified Fund include individual retirement accounts, trusts and limited liability companies. Generally, the minimum investment in the Fund for investors who are not affiliated with the Firm or its principals is \$5,000,000. The Manager reserves the right, in its sole discretion, to accept initial or additional subscriptions with a lower minimum investment.

This Brochure will be provided to prospective separate account investors and will be provided to prospective Fund investors, together with the applicable governing documents, prior to or in connection with such investor’s consideration or execution of an investment in the separate account or Fund. This Brochure, or an offer to receive this Brochure in certain circumstances, will subsequently be provided periodically to a separate account investor and will be provided to a Fund investor. Recipients should be aware that while this Brochure may include information about an account or the Fund, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with any account or fund. More complete information about the account or Fund is included in the governing documents, which may be provided to current and eligible prospective investors only by CK LLC or another authorized party. 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 in securities involves a risk of loss that clients should be prepared to bear. Clients could lose some or all of their investment. Client accounts are subject to general market risk. The value of the securities held in client accounts will tend to increase or decrease in response to movements in the market. Individual stocks may decline in value or not increase in value, even when the stock market in general is rising.

### **Diversified Fund**

#### **Investment Objective**

The Diversified Fund seeks to provide the benefits of diversification while being tax-efficient. The Fund's investment objective is to seek to provide increased diversification while limiting taxable gains for investors who currently have portfolios with limited diversification. To the extent possible, the Fund will seek to generate market-like returns with market-like risk, in a tax-efficient manner, with low fees, through investments in a diversified portfolio of equity securities, consisting substantially of a diverse portfolio of equity securities contributed to the Fund on a tax-deferred basis by Fund investors in exchange for an Interest in the Fund. The Fund expects to primarily invest in U.S. securities but may invest globally.

#### **Investment Strategy**

The Manager believes that buying and holding a broadly diversified collection of securities can provide a market-like return with market-like risk with low expenses, such as no or lower fees for management and low turnover costs. The Manager believes that the Fund is a tax-efficient way to increase diversification for investors who currently hold substantial portfolios of equities, especially portfolios with substantial unrealized gains. The investment analysis that the Manager employs to achieve these market-like conditions is the measurement of industry and sector weightings and key ratios within the portfolio to ensure that the portfolio is market-like.

The Fund commingles the equity portfolios of many individual investors in an effort to construct a broadly diversified portfolio for all investors, without requiring the investor to liquidate current holdings or incur taxes in order to invest. The Manager then attempts to continually maintain market-like diversification of the Fund's portfolio, while minimizing taxes. The Fund generally intends to minimize taxes within the Fund by avoiding transactions that give rise to taxable gain within the portfolio. The Fund generally does not intend to sell securities if such sale would create a taxable gain.

When investors request withdrawals, the Manager intends to distribute securities to satisfy such request, thereby potentially avoiding a taxable sale within the Fund's portfolio. The Manager expects this strategy to maximize expected after-tax returns, while providing a diversified portfolio that provides similar risk to the equity markets. If a withdrawing investor does not wish to receive securities in connection with a withdrawal, the investor may direct the Manager

to sell securities and distribute the cash to the investor. Any such sale shall be for the account of and at the risk of the withdrawing investor.

The Diversified Fund's investment program is speculative and entails substantial risks. There can be no assurance that the investment objective of the Fund will be achieved. Investors could lose some or all of their investment.

### **Investment Strategy Risks**

#### **Tax-Managed Strategy Risk**

The tax-managed investment strategy of the Fund may affect performance compared to an investment fund that is not tax-managed. The Manager generally will not sell a security in order to avoid realizing a gain in circumstances in which such securities might otherwise be sold if the Fund were tax indifferent. Similarly, securities may be sold to recognize a loss in circumstances where the security might not otherwise be sold. In addition, to maximize tax efficiency, the Fund may choose not to rebalance, or may not be as diversified as might otherwise be the case in the absence of such tax considerations. Moreover, the Manager will generally not purchase or sell securities of particular issuers as a result of the price movement or performance of such issuer, for example, on reaching a price target, or earnings surprises or other news affecting an issuer.

The tax treatment to the Fund and the Fund investors of certain transactions may vary depending on the timing of contributions and withdrawals of securities to and from Fund investors. Contributions or withdrawals by a Fund investor may have tax consequences for other Fund investors in certain circumstances.

Certain sale transactions or distributions may be taxable to some or all of the Fund investors if conducted within 7 years of a contribution by the affected Fund investors. The Fund may hold a security for an extended period of time to avoid these tax provisions regardless of the security's actual or expected performance; such performance may have an adverse effect on the Fund. Significant withdrawals prior to the expiration of the 7-year period may result in adverse tax consequences.

#### **Risk of Changes in Tax Law**

The tax laws and the rules and regulations promulgated there under are subject to change. Changes in the tax law may require the Fund to alter its investment strategy or cause the Manager to terminate the Fund. Although many tax laws only apply prospectively, there can be no assurance that any tax law changes affecting the Fund or the Fund investors will be adopted in such a manner. The Fund's strategy may become impossible or impracticable following a change in tax law and such changes could have a material and adverse effect on the Fund and the Interests.

Although changes in tax law are generally proposed and debated for a period of time before being adopted or enacted, there can be no assurance that the Manager and the Fund will have advance notice of a detrimental change in tax law. Without appropriate notice of a change, the Fund may be unable to adjust its strategy appropriately to avoid adverse tax consequences for the Fund investors.

### **Lack of Available Investment Capital**

Although the Manager expects to rebalance the Fund's portfolio periodically, the Manager generally does not expect to sell any securities if such sale would cause a taxable gain for the Fund or a Fund investor. The Fund may be unable to capitalize on other investment opportunities due to lack of available investment capital and, as a result, the Fund's performance may be reduced.

### **Risk of Software Error**

The Fund relies on sophisticated accounting software to track the Fund and each Fund investor's share of each investment. Although the software has undergone extensive testing, an unforeseen software error may cause a Fund investor to incur an unintended taxable gain.

### **Reliance on Other Fund Investors**

The Manager, when analyzing whether a sale might generate taxable gain or a tax loss, relies on, among other things, certain information provided by the Fund investors, including tax basis information. If any information provided by a Fund investor is incorrect, that Fund investor, and the other Fund investors, may be subject to tax as a result.

### **Diversification Risk**

The Fund expects many of its securities to initially be contributed by the Fund investors. Although the Manager can approve or reject securities offered by a Fund investor as a contribution, the Manager does not select which securities are offered by the Fund investor for contribution to the Fund. As a result, the composition of the Fund's portfolio is likely to be different than would be the case if the Manager deployed cash Capital Contributions to purchase securities. In addition, while the Manager may periodically rebalance the Fund's portfolio, the Manager generally does not expect to sell securities if such sale would cause a taxable gain. Withdrawals by Fund investors are also expected to generally be satisfied with in-kind distributions of securities. As a result of the in-kind contributions, limited transactions and in-kind withdrawals, the Fund may, from time to time, have excess concentration and therefore excess exposure to a particular industry, sector or geographic region. In addition, the Fund may hold substantial positions in a relatively small number of investments. Limitations as to strategy, amount of capital or analytical resources can lead to significant concentration among portfolio securities. Concentration of investments in a limited number of issuers or securities, industries or industry groups, or countries or regions can increase investment risk and portfolio volatility. As a result of this lack of diversification, a significant loss in any one position may have a material adverse effect on the Fund's performance. In addition, the Fund may be more risky than a more diversified, broad-based portfolio.

### **Directional Risk**

Generally, the Fund will only take long positions in equity securities. Accordingly, the Fund will not take short positions to hedge against declines in the broader markets. Thus, the performance of the Fund's investment portfolio will tend to be correlated to long-only indices tracking the broader U.S. and global equity markets.

## **Stock Selection**

The Manager will generally not seek to outperform the market through stock selection. Instead, the Manager believes that superior long-term returns can best be delivered through a broadly diversified portfolio that tracks relevant indices, coupled with reduced expenses and maximum tax efficiency. There can be no assurance that the Fund will achieve this objective and the Fund may underperform other more actively managed portfolios.

## **General Risks**

The Fund's investment strategy is speculative and entails substantial risks. There can be no assurance that the Fund's investment objective will be achieved or that its investment strategy will be successful. Investors should consider the Fund as one piece of an overall investment program and should invest only if they are willing to undertake the risks involved. Investors could lose a substantial portion or all of their investment.

## **Dependence on Existing Management**

All investment decisions on behalf of the Fund will be made by the Manager. Accordingly, no person should invest in the Fund unless he or she is willing to entrust all aspects of the management of the Fund to the Manager. The Fund is dependent upon the skill, judgment and expertise of the principals of the Manager. The loss of the services of any individual member of the management team could have an adverse effect on the Fund. There is no assurance that a suitable replacement could be found in the event of the death, disability or resignation of any member of the management team. Neither the Manager nor the Fund nor any of their affiliates have employment contracts with certain members of such management team, including Messrs. Cohen and Klingenstein.

**The Fund has broad and flexible investment authority. CK LLC may have other investment strategies or methods of analysis, or engage in other activities, than those described herein. The foregoing list of risk factors is not an exhaustive explanation of the risks involved in an investment in the Fund. It is critical that investors refer to the 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 Fund's governing documents.**

**An investment in the Fund may be deemed speculative and is not intended as a complete investment program. There can be no assurance that the investment objective of the Fund will be achieved. The 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.**

## **General Investment Strategy**

In addition to the Fund we manage, the Firm employs one general investment strategy: market-like index equities. The Firm may offer this investment strategy to existing clients although this strategy is not publicly marketed. The strategy may be tailored to the specific needs of each client. Portfolios under management in these styles are generally invested in liquid common stocks and common stock equivalents included in a broad-based market index.

This investment strategy includes long-term purchases and may include the use of margin or short sales. The Firm does not generally trade in futures or derivatives.

### **General Risks**

Equity Market Risk - Overall stock market risks may affect the value of the investments in equity strategies. Factors such as U.S. economic growth, market conditions, interest rates and political events affect the equity markets.

## **Item 9 – Disciplinary Information**

On July 26, 2021, the SEC accepted our offer of settlement in connection with the late filing and delivery of our initial Form CRS. The deadline for filing our Form CRS and delivering it to new retail investor clients was June 30, 2020, and the deadline for delivering it to existing retail investor clients was July 30, 2020. We filed our Form CRS on March 5, 2021, and delivered it to our retail investor clients on March 8, 2021. Pursuant to an order dated July 26, 2021, the SEC found that, as a result of such omission, we violated Section 204 of the Advisers Act and Rules 204-1 and 204-5 thereunder. Pursuant to our offer of settlement, the SEC imposed a civil monetary penalty of \$97,523, which we paid in full on July 27, 2021, and ordered us to cease and desist from future violations of such provisions.

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

CK LLC is the investment adviser and managing member to the Fund. The Diversified Fund, as mentioned in Item 4 of this Brochure, is a private investment fund that seeks to maintain a diversified portfolio of common stocks on a tax-advantaged basis for investors, as discussed in more detail in Item 8 in this Brochure.

Clients who meet certain qualifications as discussed in Item 7 of this Brochure may invest in the Diversified Fund, although we do not actively solicit unrelated existing advisory clients to invest in the Diversified Fund.

The Manager, its principals and affiliates are not prohibited from participating in other business ventures, including serving in similar capacities for other investment accounts or other investment or investment management companies, such as, without limitation, other private investment funds or on boards of directors of other companies. Such activities will prevent them from devoting full time to the activities of any one account or the Fund. This may result in potential or actual conflicts of interest in allocating time and resources between services or functions for an account or the Fund and such other business ventures.

The Manager and affiliates are not prohibited from participating in the formation and operation of other investment funds, which may be in direct competition with an account or the Fund. Such current and possible future business activities of the Manager and its affiliates may result in potential or actual conflicts of interest.

Our relationship with the Fund may create a conflict of interest with other clients. Participation in specific investment opportunities may be appropriate, at times, for the Fund and one or more other investment funds or managed accounts advised by the Manager (the “Other Accounts”). The Fund and the Other Accounts may be managed in parallel and, if the adviser determines that participation in certain investment opportunities is appropriate for the Fund and one or more Other Accounts, each participating account may generally invest on a pro rata basis in each such investment opportunity based on the net assets of each such account.

CK LLC may vary from a pro rata allocation and use different allocation where we determine that it is advisable to do so, taking into account concentration of holdings, investment objectives and guidelines and available cash in allocating such investment opportunity among the Fund and the Other Accounts. Using a non pro-rata allocation method may result in a perceived conflict of interest between the Fund and Other Accounts, as applicable. We will act in a manner, which we consider fair and equitable, in allocating investment opportunities among the Fund and the Other Accounts.

Situations may arise in which our activities on behalf of the Other Accounts may disadvantage the Fund, such as the inability of the market to fully absorb orders for the purchase or sale of particular securities placed for the Fund or one or more Other Accounts at prices and quantities which could be obtained if the order was placed only for the Fund.



## **Trading Restrictions due to Board Service and/or Receipt of Material Non-Public Information**

As previously stated within, adviser personnel may serve on the boards of directors of companies, including public companies in which we invest client assets. Such personnel often receive material non-public information about those companies, their affiliates or other companies as a board member and have fiduciary, legal and/or contractual obligations as a result of or in connection with serving on the board. They, or our other personnel, could also receive material non-public information with respect to an issuer of securities that we hold or could wish to acquire for client accounts. Due to such persons' fiduciary obligations to these companies and to the adviser, applicable law related to exposure to material non-public information and/or by agreement with the company, the adviser is, and could in the future be, restricted in its ability to trade in (or take other investment actions with respect to) certain securities that are or could be held in client accounts. Due to the nature of our operations, the adviser will not take steps to impose information barriers or otherwise restrict communications among personnel and, as a result, these restrictions will apply generally as to any company on which any adviser personnel serve as a board member, certain of those companies' affiliates and to any other company as to which any adviser personnel believe that they have received material non-public information, regardless of the source of such information. To assure that our obligations in this respect are met, companies as to which there are trading restrictions are placed on a restricted list. For so long as an issuer is on the restricted list, the adviser will not be able to buy, sell, hedge or otherwise transact in any stocks, bonds, options, warrants or other securities issued by, or derivatives with respect to, that issuer – even if such transaction would otherwise be desirable and without regard to whether the adviser in fact has material non-public information about the issuer – which could result in the adviser being unable to recognize gains, mitigate losses or take advantage of opportunities that would be available absent such restrictions.

## **Item 11 – Code of Ethics**

CK LLC has adopted a Code of Ethics (the “Code”) for the Firm and all of the Firm’s supervised persons, describing the Firm’s high standard of business conduct. The Code includes policies and procedures regarding, among other things, the confidentiality of client information, insider trading, the acceptance and reporting of certain gifts and business entertainment items and personal securities trading procedures. All supervised persons at CK LLC must acknowledge in writing at least annually that s/he understands the terms of the Code and that s/he has complied (and will comply) with the Code. Supervised persons must also acknowledge in writing that s/he has received updated amendments of the Code that are provided, understands the terms of the Code and that s/he will comply with the Code, as amended.

Clients or prospective clients (including investors or prospective investors in the Fund) may request a copy of the Firm's Code by contacting George M. Cohen, Chief Compliance Officer, at (212) 757-0235.

### Summary of Employee Personal Trading Policy

CK LLC anticipates that, in appropriate circumstances, it may recommend that clients buy or sell securities in which CK LLC or its related persons (such as affiliates or employees), directly or indirectly, have a position of interest. CK LLC’s employees, affiliates and persons associated with CK LLC are required to follow CK LLC’s Code. Subject to complying with the personal trading policy and applicable laws, officers, directors, affiliates, employees and associated persons of CK LLC may trade for their own accounts in securities that are recommended to and/or purchased for CK LLC’s clients.

Our Code is designed to assure that the personal securities transactions, activities and interests of CK LLC or its related persons will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities, such as debt securities issued by the U.S. government, agencies and instrumentalities, banker’s acceptance, bank certificates of deposit, commercial paper, stock indices, securities of unaffiliated open-ended mutual funds and cryptocurrencies have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of CK LLC’s clients. In addition, the Code requires pre-clearance of many non-exempt transactions, and restricts trading in the same security in close proximity to client trading activity. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between CK LLC and our clients. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client.

### Gifts and Entertainment Policy

No supervised person may seek any gift, favor, gratuity or preferential treatment from any person or entity that:

- Does business with or on behalf of the Firm;
- Is or may appear to be connected with any present or future business dealings between the Firm and that person or organization;
- May create or appear to create a conflict of interest.

Gifts, favors and gratuities valued at less than \$300 and meals and entertainment valued at less than \$500 may be accepted. Access Persons should notify the Chief Compliance Officer when accepting gifts, favors and gratuities valued at more than \$300 and entertainment valued at more than \$500.

Discretion should be used in accepting invitations for dinners, entertainment, golf outings, sporting events or theater. In accepting such invitations, the Chief Compliance Officer requires that the person offering the invitation be in attendance in order for a CK LLC employee to accept the invitation. No supervised person should offer any gifts, favors or gratuities that could be viewed as influencing decision-making or otherwise could be considered as creating a conflict of interest on the part of the recipient.

## **Item 12 – Brokerage Practices**

We may use soft dollars to pay for brokerage research and certain back-office services that are within the safe harbor under Section 28(e) of the Securities and Exchange Act of 1934, as amended. Other than the aforementioned, we will not enter into arrangements with brokers or dealers in which such firms assume some of the operational and overhead costs relating to brokerage and research services in exchange for the Firm directing our clients' brokerage business to such broker-dealers, or any other so-called "Soft Dollar" arrangements.

### Selection of Executing Brokers

Generally, CK LLC selects brokers on their perceived ability to obtain best execution. Unless a client directs us otherwise, in most cases, CK LLC may employ, retain or use any brokers, dealers, investment banks and other firms or services to execute transactions. In making such determinations, we take into account a variety of factors, including the following: price, the broker's facilities, ability to achieve prompt and reliable executions at favorable terms (including order size and timing), the operational efficiency with which transactions are effected, the financial strength, integrity and ability of the broker, the broker's recordkeeping capabilities and the quality, comprehensiveness and frequency of available research and related services considered to be of value to the Firm in providing services, even where the client does not directly benefit from such services.

The commission rate is only one factor considered together with other factors in selecting a broker for the execution of trades. We are not obligated to seek out, in advance, the most favorable commission rate applicable to any particular transaction nor to select any broker by comparing its posted commission rate with those that may be offered by other brokers. Consequently, CK LLC may pay a broker a commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the quality of execution received or the value of the brokerage research or other services provided by the broker, whether in connection with a particular transaction or considering CK LLC's overall responsibility to the client. The client understands that its account will bear all charges for such services.

### Research

Research provided may include furnishing advice, either directly or through publications or writings, as to the value of securities, the advisability of purchasing or selling specific securities and the availability of securities, or purchases or sellers of securities; furnishing analyses and reports concerning issuers, industries, securities, trading markets and methods, changes in accounting practices, economic factors and trends and portfolio strategy; access to research analysis; comparative performance evaluation and technical measurement services and quotation services, and products and other services (such as third party publications, reports and analyses, and computer and electronic access, including the research described above) that assist the Firm in carrying out its responsibilities.

Research received from brokers or dealers is supplemental to our own research efforts. We may use research products and services in servicing any or all of our clients and such research may

not necessarily be used by the Firm in connection with the accounts which paid commissions to the broker/dealer providing such research products and services.

#### Client Referrals

We do not receive any client referrals for selecting or recommending certain broker-dealers or third parties. CK LLC does not generally suggest brokers or custodians to clients. We suggest brokers or custodians to clients only at their specific request.

#### Aggregation of Transactions

CK LLC may aggregate orders for multiple clients as a single transaction for the purchase or sale of particular securities across client accounts when in the best interests of each affected client. Generally, we will aggregate orders across multiple clients or accounts in order to obtain the efficiencies that may be available in larger transactions when we determine that investment opportunities are appropriate for more than one client or account. Such aggregation of orders may not always be to the benefit of each client or account with regard to the price or quantity executed. The Firm may open “average price” accounts with brokers, in which purchase and sale orders placed during a trading day on behalf of clients are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.

#### Client-Directed Brokerage

At the present time, CK LLC does not direct clients’ brokerage transactions to any party that is affiliated with the Firm. Clients may, at their discretion, instruct CK LLC to use a specified broker in accordance with arrangements between the client and such broker. When a client requests or instructs CK LLC to direct all or a portion of the securities transactions for a client’s account to a specified broker-dealer, the Firm will treat the client direction as a decision by the client to retain discretion we would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions generally for the client’s account. Although we will attempt to effect such transactions in a manner consistent with our policy of seeking best execution on each transaction, there may be occasions where we are unable to do so. Even if we are unable to obtain best execution, we will attempt to comply with the client’s instructions.

The client, therefore, should consider whether under its direction, commissions, price, execution, clearance and settlement capabilities, and fees for custodial or other services provided to the client by the broker-dealer (if applicable) will be comparable to those otherwise obtainable. A client making such a designation also should understand that it might lose the possible advantage that non-designating clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of particular securities because the client-designated trades may be excluded from and executed subsequent to aggregated orders. However, when appropriate, we will include in aggregated orders, transactions for clients that have made such a designation. In such cases, the executing broker will transfer the directing client’s portion of the aggregated order to the broker designated by the client. The client who directs us to use a specific broker may pay higher commissions or receive less favorable execution on some transactions at least in part because the directed broker may maintain a higher commission schedule or provide less favorable service. In addition, such client may not be able to participate in an allocation of shares of a new issue if another broker sells those shares.

## **Item 13 – Review of Accounts**

CK LLC's managing members review all accounts on a regular and periodic basis. If general market and economic conditions do not change substantially, a periodic review, at least once per month of each account is sufficient. In times of significant change to the economic or market conditions or changes regarding a specific investment, the managing managers will review client portfolios more frequently. This assessment consists of reviewing holdings within the portfolio to ensure they are within a client's investment guidelines and goals. Investment decisions are typically based on our own research and market views, within client guidelines.

The Firm typically supplies written reports at least quarterly and more frequently depending on the client's instructions, the client's need for current information and the size of the account. The written quarterly portfolio holdings statement includes current holdings and the market value of those positions as of the end of the quarter. A managing member also provides each account's performance in a quarterly client letter.

The Firm also supplies Schedule K-1s to Fund investors as well as other applicable tax information to clients and investors necessary to complete Federal and State income tax or information returns, along with any other tax information required by law.

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

CK LLC does not receive any compensation or economic benefit, such as prizes or sales awards, from any parties, for providing investment advice or other advisory services to our clients, other than our advisory fees.

The Firm does not pay any compensation for client referrals. In the future, we may pay cash fees under certain circumstances to persons who refer clients to the Firm, including investors in the Fund.

## Item 15 – Custody

All client assets are held in an account at a qualified custodian. We look to the client to select his or her own qualified custodian. We will suggest a qualified custodian to the client if s/he does not indicate a custodian to hold portfolio assets.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains a client's investment assets. We urge the client to carefully review such statements and compare such official custodial records to the portfolio holdings statements that we separately provide to each client. Our statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. Please contact Joyce Nissim, at (212) 757-0235 or [jnissim@cohenklingenstein.com](mailto:jnissim@cohenklingenstein.com) with any questions or concerns you may have concerning any discrepancies between the two statements.

Because the Firm serves as managing member of the Fund, it is deemed to have “custody” over the Fund within the meaning of Rule 206(4)-2 under the Advisers Act. To comply with this Rule, the Fund's assets are physically custodied at a qualified custodian and are subject to annual audit, either on a surprise basis or a full financial audit, at the discretion of CK LLC. The Manager has chosen to subject the Fund to a full financial audit.

The Fund will furnish to its Fund investors within 120 days after the end of the Fund's taxable year or as soon as reasonably practicable thereafter, annual reports containing financial statements examined by the Fund's independent auditors. We urge clients to carefully review such statements. If an investor has invested in the Fund and has not received such statements in a timely manner, such investor should contact the Firm immediately.



## **Item 16 – Investment Discretion**

CK LLC manages client accounts on a full discretionary basis in accordance with any applicable restrictions requested by the client. Clients may place restrictions on the discretion granted to CK LLC as discussed in Item 4 in this Brochure.

Prior to trading, each separate account client signs an investment advisory agreement giving the Firm power of attorney to trade his or her account on a discretionary basis adhering to any investment policy statements or trading guidelines.

CK LLC manages the Fund on a full discretionary basis in accordance with the governing documents of the Fund. Fund investors in the Diversified Fund may place restrictions on their investment in the Fund in accordance with the governing documents of the Fund.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Investment advisers registered with the SEC, and which exercise voting authority with respect to client securities, are required by Rule 206(4)-6 of the Advisers Act to:

- Adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of the client, including how its vote would economically impact (short or long term) the client's investment and how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients;
- Disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities;
- Describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients; and
- Maintain records of the Firm's general proxy voting philosophy, proxy material received, the manner in which it was voted, the rationale for which it was voted if different from the Firm's general voting philosophy.

CK shall vote proxies related to securities held by any client in a manner solely in the best interests of the client. CK believes that voting proxies in accordance with the following policies is in the best interests of its clients.

- In general, the Firm votes with management on most routine matters such as the election of directors or ratification of auditors. CK votes in favor of matters that expand shareholder rights such as cumulative voting and declassification of the board of directors. CK votes against matters that dilute ownership or limit shareholder rights, such as poison pills and re-incorporation in Delaware. Regarding non-routine matters, CK seeks to benefit the economic interest of its clients.
- In the absence of specific voting guidelines from a client, CK will vote proxies in the best interests of the client. CK votes on issues sensitive to a particular client on a case-by-case basis in the best interest of the client. CK may contact a client directly regarding issues and take direction on how to vote particular proxies.
- If the issue to be voted upon in any proxy raises a material conflict of interest for CK, then CK will promptly disclose the conflict to the client and obtain the client's written consent before voting the proxy. If CK is unable to contact a client or otherwise obtain

its written consent by the time the vote of the proxy is due, then CK will vote the proxy according to the guidelines, or based upon the recommendations of an outside service provider.

Clients may obtain a copy of CK LLC's Proxy Voting Policies and Procedures or information about how CK LLC voted his or her proxy by contacting the Proxy Manager at [gacohen@cohenklingenstein.com](mailto:gacohen@cohenklingenstein.com) or (212) 757-0235.

## **Item 18 – Financial Information**

Not Applicable.