

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of KDS PARTNERS LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us by email at compliance@kds.com or at the telephone number above.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

KDS PARTNERS LLC is a registered investment adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. This Brochure does not constitute an offer to sell or the solicitation of any offer to purchase any securities of any entities described herein.

Additional information about KDS PARTNERS LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated March 1, 2022 (the “Brochure”) is the first such Brochure prepared by KDS Partners LLC. As such, there are no material changes to identify in this Item 2.

In the future, this Item 2 will discuss specific material changes that are made to the Brochure and provide a summary of such changes with reference to the last Brochure.

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Item 4 – Advisory Business

A. General Description of Advisory Firm: KDS Partners LLC (the “Adviser”) is a Delaware limited liability company that will provide investment advice to various private investment funds. The Adviser commenced operations in March, 2022. The founding partners and principal owners of the Adviser are Robert Sharp, President and Chief Executive Officer and William P. Lovallo, Chief Operating Officer and Chief Compliance Officer. Mr. Sharp and Mr. Lovallo will be referred to as the “Managing Members” in the brochure.

B. Description of Advisory Services: The Adviser is a private equity firm that provides discretionary investment advisory services to various pooled investment vehicles (“Funds”) in accordance with the investment objectives, strategies and guidelines set forth in the offering documents, partnership and/or limited liability company agreements, term sheets, and subscription documents for each respective pooled investment vehicle, as applicable (collectively, the “Governing Fund Documents”). Defined terms utilized herein that are not otherwise defined shall have the meanings ascribed to them in the Governing Fund Documents.

The Adviser’s primary investment activity is making investments on behalf of Clients (as defined below) in a variety of industries, which include, among others, consumer, business services and industrial products companies (herein referred to individually as a “Portfolio Company” or collectively as “Portfolio Companies”).

Investors in the Funds are herein referred to as “Investors”, and the Funds and any future investment vehicles may be referred to herein as “Clients” of the Adviser.

C. Availability of Tailored Services for Individual Clients: As noted above, each Fund makes an investment in only one Portfolio Company. As such, the Adviser does not tailor its advisory services to the individual needs of Investors. The Portfolio Company asset held in each Fund is managed by the Adviser on a discretionary basis, as set forth in the applicable Governing Fund Documents.

D. Wrap Fee Programs: The Adviser does not participate in wrap fee programs.

E. Client Assets Under Management: This is an initial ADV filing and the Advisor does not have assets under management at this time.

Item 5 – Fees and Compensation

- A. Advisory Fees and Compensation:** This Brochure will be delivered only to “qualified purchasers” as defined in the Investment Company Act of 1940. Accordingly, no detailed fee schedule is included in this Brochure.
- B. Payment of Fees:** Any applicable fees charged to Investors will be deducted from their capital accounts in the Fund or distributed from the Fund in accordance with the governing Fund Documents, and will not be billed separately.
- C. Other Fees and Expenses:** Each of the Funds pay all of the fees and expenses associated with its operations. These fees and expenses are detailed in the Governing Fund Documents for each Fund.
- D. Prepayment of Fees:** As described above in Item 5B, Investors do not prepay any fees. There is no refund to Investors of any of the fees and expenses that have been charged to Investors or the Funds, including in the event that the applicable fiscal period were to end early.
- E. Additional Compensation and Conflicts of Interest:** No supervised person of the Adviser accepts compensation for the sale of securities or investment products to the Funds.

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

As discussed in Item 5 above, the Adviser or an entity affiliated with the Adviser (a “Fund GP”) may receive performance-based compensation through the payment of “carried interest”. Any performance-based compensation will be paid in accordance with Section 205(3) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and Rule 205-3 thereunder.

Managing Members and certain senior level employees of the Adviser participate in the carried interest paid to the Fund GP. In addition, the Managing Members have personal investments in the Funds, and will be invested on terms that do not include the payment of carried interest or management fees. The potential for earning a carried interest payment creates an incentive for the Adviser to make riskier and more speculative investment decisions on behalf of the Funds than it would otherwise make.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of the Funds and in the future, any additional Client accounts.

Item 7 – Types of Clients

The Adviser currently provides investment advice only to the Funds. Minimum commitment levels for each Fund were established by the Fund's GP and are disclosed in the Governing Fund Documents. There is no required minimum account size that must be maintained by Investors.

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

A. Methods of Analysis and Investment Strategies:

The Adviser's investment objective for the Funds is to identify and acquire Portfolio Companies in a variety of industries which include, among others, consumer, business and industrial products. After acquisitions, the Adviser will provide operational expertise and long-range market insight to Portfolio Companies with the goal of achieving long-term growth for Investors. The Adviser seeks to identify Portfolio Companies that have strong market positions and identifiable growth opportunities, along with effective risk mitigation strategies in place.

The Managing Members will analyze, review and approve all acquisition, add-on and disposition investment decisions regarding Portfolio Companies.

Unemployed cash held by a Fund may only be invested in short-term investments, such as US government obligations, certificates of deposit, overnight repurchase obligations, commercial paper and similar instruments, as specified in the applicable Governing Fund Documents.

B, C. Material Risks of the Adviser's Investment Strategies, Methods of Analysis and Types of Securities:

Investing in the Funds is highly speculative and involves risk of loss that Investors should be prepared to bear. Only sophisticated persons who are able to bear the economic risk of the loss of all or a portion of their investment should invest. There is no guarantee that investment objectives will be achieved. The performance of prior investments is not indicative of any expected future results.

As it is not possible to identify all of the risks associated with investing, this section discusses certain material risks of investing in the Funds in summary fashion. Moreover, the particular risks applicable to the Funds will depend on what part of the investment cycle they are in. Investors and prospective

Investors in future Funds should consult the Governing Fund Documents of the applicable Fund for a more detailed discussion of applicable risks.

Summarized below are material risks for the Funds:

- **General Economic and Market Conditions:** The success of the Funds will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances, as well as the cyclical nature of the industries in which the Funds intend to invest.
- **Risks of Limited Number of Investments; Dependence on Performance of Limited Investments:** The Funds will participate in only one investment. As a result, each Fund's investment portfolio is highly concentrated, and the performance of the one Portfolio Company is responsible for the entirety of the Fund's aggregate return.
- **Competition for Investments:** The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty.
- **Reliance on Key Personnel:** The success of the Funds will significantly depend upon the skill and expertise of the Managing Members.
- **Reliance on Portfolio Company Management:** While the Adviser will actively monitor each investment, it is primarily the responsibility of company management to operate the Portfolio Company on a day-to-day basis, and the success of the Portfolio Company will depend heavily on the ability of company management to successfully operate it.
- **Risk Arising from Provision of Managerial Assistance:** The Adviser intends to be actively involved with management of each Fund's Portfolio Company, including through representation on the board of directors or executive committee thereof where appropriate, as determined by the Adviser in its sole discretion. These activities could expose the assets of a Fund to claims by the Portfolio Company, its security holders, or its creditors (or any agent of such creditors, such as a bankruptcy trustee), including claims that the Funds are a controlling person and thus are liable for securities laws violations of a Portfolio Company.

- **Risks of Investing with Third Parties:** Certain decisions may require approval of the third party, and the cooperation of the relevant Fund and the third party on business decisions affecting the Portfolio Company will be an important factor for the sound operation of the Portfolio Company and as a result, the financial success of the Fund's investment.
- **Need for Significant Capital; Follow-On Investments:** The Portfolio Companies in which the Funds have invested may require additional capital from time to time. There can be no assurance that such capital will be available to such Portfolio Companies on a timely basis, either from the Funds as a follow-on investment or otherwise. In the case of follow-on investments, there can be no assurance that the Funds will wish to make follow-on investments or that they will have sufficient funds to do so. The failure of Portfolio Companies to raise the necessary capital to fund their operations, capital expenditures or other activities may require, among other things, the sale or liquidation of such Portfolio Companies at a loss or reduced valuation from the price paid for such Portfolio Companies by the relevant Funds.
- **Bankruptcy of Portfolio Companies:** The Funds may make investments in Portfolio Companies that may experience financial difficulties and become insolvent or file for bankruptcy protection.
- **Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes:** Legal, tax and regulatory changes could occur that may adversely affect the business and operations of Portfolio Companies and/or the Funds.
- **Intense Competition; Technological Obsolescence:** The companies in the Funds' target industries may encounter competition in all areas of their businesses. Customers increasingly demand more technologically advanced and integrated products. To remain competitive, a Portfolio Company may need to invest continuously in research and development, manufacturing, marketing, client service and support and distribution networks. In the event of technological advances and a significant shift in the character of the market's demand, or if certain products become technologically obsolete, the performance of the Portfolio Company, and therefore the value of the relevant Fund's investment, may be materially adversely affected.

- **Regulated Industries:** Some of the Portfolio Companies may operate in highly regulated industries or will be providing products or services to highly regulated industries. In such circumstances, the Portfolio Companies may incur substantial costs related to compliance with regulations.
- **Cyclicalities of Portfolio Company Industries:** The Funds' Portfolio Companies may be adversely affected by demand cycles in their respective sectors.
- **Environmental Risk:** The operations of Portfolio Companies may be subject to numerous laws and regulations relating to environmental protection. Certain laws and regulations might also require that the business carried on by Portfolio Companies address possible prior or future environmental contamination.
- **Dependence on Protection of Intellectual Property:** The Portfolio Companies may own or develop various patents and other forms of intellectual property that will be subject to challenge, invalidation, misappropriation or circumvention by third parties, including by direct competitors of such Portfolio Companies. Such Portfolio Companies may also rely significantly upon proprietary technology, information, processes and know-how that are not protected by patents.
- **Cyber-Security Threats and Information Technology Systems Threats:** Portfolio Companies, particularly those that operate in sensitive industries, face various cyber and other security threats, including malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential or otherwise protected information and corruption of data, networks or systems. Portfolio Companies are dependent on the continuing development, maintenance and operation of their information technology systems. A Portfolio Company's success is dependent on the accuracy, proper utilization and continuing development of its information technology systems, including its business systems, such as sales, customer management, financial and accounting, marketing, purchasing, warehouse management, e-commerce and mobile systems, as well as its operational platforms, including voice and data networks and power systems
- **Reliance on Historical Information:** Any performance or other projections relating to a Portfolio Company are based in part upon

historical information, projections, and assumptions provided by the Portfolio Company or other third parties, and the Adviser has relied on that information. Those assumptions and projections may be incorrect or may not materialize as anticipated.

- **Epidemics, Pandemics and Market Disruption.** Many countries have been susceptible to epidemics such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and, currently, the coronavirus “Covid-19”, which the World Health Organization has declared to be a pandemic. The spread of Covid-19 or other pandemics may have an adverse impact on the clients. Countries that already have suffered outbreaks of Covid-19 are likely to suffer a continued increase in recorded cases of the disease. Furthermore, the disease is likely to spread to additional countries around the world. A continued escalation in the Covid-19 outbreak could see a continual decline in global economic growth (some economists have warned that global economic growth could be cut by more than half and that countries and the global economy could be plunged into recession). Many businesses around the world have curtailed their travel and meeting plans. This is likely to slow business activity, especially international business activity. The impact of a viral pandemic in certain areas with large and crowded cities may be especially severe. In consumer goods, for example, customers may delay discretionary spending and travel plans because of concern about the pandemic.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor’s evaluation of the Adviser or the integrity of the Adviser’s management. The Adviser has no disclosures to make in this regard about itself or any of its management persons.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Broker-Dealer Registration Status:** Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status:** Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or commodity trading adviser.

C. Material Relationships or Arrangements with Industry Participants:

Aside from its relationship with Fund GP's, neither the Adviser nor any of its Funds have any material relationship with industry participants that are related parties. The Adviser does not believe that its relationship with the Fund GP's creates a material conflict of interest.

D. Material Conflicts of Interest Related to Other Investment Advisers:

The Adviser does not recommend or select other investment advisers for the Funds.

Item 11 – Code of Ethics

- A. Code of Ethics:** The Adviser has a written code of ethics (the "Code") which sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. Among other things, the Code prescribes standards for dealing with Clients ethically, and addresses conflict of interest issues, including personal trading, personal political activities, gifts and entertainment, and outside business activities. The Adviser also maintains a written compliance manual which sets forth additional compliance policies and procedures, including those related to the confidentiality and the handling of material non-public information.

The Adviser's Investors or prospective Investors may request a copy of the Code by contacting the Adviser as indicated on the Cover Page.

B. Transactions in Securities where the Adviser or a Related Person has a Material Financial Interest:

The Managing Members, and potentially other employees of the Adviser, will make personal investments in the Funds, providing them with a financial interest in the Portfolio Companies. These types of investments are intended to align the interests of the Managing Members and Adviser personnel with the Investors in the Funds and are not perceived by the Adviser as presenting a conflict of interest. In addition, as discussed in Item 6, the Managing Members as well as certain employees also have a carried interest in the overall performance of the Funds. This creates an incentive for the Adviser to make riskier and more speculative investment decisions on behalf of the Funds than it would otherwise make.

The Adviser or its affiliates may, from time to time, receive fees or other payments from Portfolio Companies, including closing fees, quarterly management fees, monitoring fees (including accelerated monitoring fees), consulting fees, directors' fees, acquisition and disposition fees, financial

advisory fees, financing fees and other similar fees (collectively, “Other Fees”). Collection of these Other Fees are not dependent on the performance of the particular Portfolio Company, and therefore may create a conflict of interest between the Adviser and the relevant Fund.

Neither the Adviser nor any of its related persons contemplates buying securities from, or selling securities to, the Funds as principal (a “principal transaction”). Additionally, it is not contemplated that the Adviser will recommend that one Fund purchase securities from, or sell securities to, another Fund (a “cross transaction”). In the event the Adviser is contemplating engaging in either a principal transaction or cross transaction, the Adviser will only complete such a transaction in accordance with the requirements of Section 206(3) of the Advisers Act, which include notice to, and consent from, affected Investors, as applicable.

C, D. Investing in Securities Recommended to Clients; Contemporaneous Trading; Personal Account Trading:

While the acquisition of a Portfolio Company by a Fund is typically made as a private securities transaction, it is possible that a Fund may from time to time hold publicly-traded securities. As such, potential conflicts of interest related to personal account trading by the Adviser’s Managing Members and employees may arise. The Adviser maintains personal trading policies and procedures that are designed to mitigate these conflicts of interest. The Adviser’s policies and procedures prohibit the Managing Members and employees from transacting in securities issued by, or related to, Portfolio Companies, as well as from transacting in securities on the Restricted List (as discussed below). The Managing Members and employees are required to report their securities holdings and transactions periodically to the CCO or his designee for review.

To prevent insider trading and other inappropriate forms of personal trading activities, the Adviser also maintains “Restricted List” procedures. Under these procedures, the CCO will place any securities of publicly-traded companies for which the Adviser believes it has or may have material, non-public information on a “Restricted List.” Managing Members and employees must report the receipt of any such information to the CCO, and are strictly prohibited from trading in securities (including, without limitation, equity, debt or options) of an issuer on the Restricted List for their own account. The CCO reviews personal account trading for any trading in Restricted List securities. Managing Members and employees certify annually that they have not traded in any such securities.

Other conflicts of interest related to personal account trading may arise in the future when a Managing Member or employee has a relationship that presents a conflict of interest, i.e., a spouse who serves as a director of a public company. The Adviser requires disclosure of any such potential material conflicts.

Item 12 – Brokerage Practices

A. Selection of Broker-Dealers: The Adviser makes opportunistic private equity investments in private securities on behalf of Clients. Accordingly, as a general matter the Adviser does not advise Clients on investments in public securities, and generally does not transact business through broker-dealers. However, in rare situations where the Adviser may need to select a broker-dealer, it will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all Client securities transactions.

A.1. Research and Other Soft Dollar Benefits: As noted above, given the nature of the investments made by Clients, the Adviser does not typically make investments in publicly-traded securities. As a result, the Adviser does not have any soft dollar arrangements in place that would require the Adviser to give a specified amount of brokerage to any broker-dealer. The Adviser may however from time-to-time receive unsolicited research from brokers, dealers and banks. In circumstances in which the Adviser uses such research, the quality and ability to receive research may factor into the selection of broker-dealers executing portfolio trades. Even in these cases, the broker-dealer's ability to achieve best execution for Clients will remain the primary factor influencing the selection of a broker-dealer.

A2. Brokerage for Client Referrals: To the extent the Adviser engages in selecting broker-dealers, such decisions will be made as described above in Item 12(A), and not in consideration of whether the Adviser or a related person receives Investor referrals from a broker-dealer or a third party.

A3. Directed Brokerage:

- a. The Adviser does not recommend, request or require that a Client direct it to execute transactions through a specified broker-dealer ("directed brokerage").
- b. The Adviser does not have directed brokerage arrangements with its Clients.

B. Order Aggregation: As noted above, given the nature of the investments made by Clients, the Adviser does not typically make investments in publicly traded companies. Therefore, the Adviser does not routinely aggregate the purchase or sale of securities for various Clients. However, in the unlikely event that the Adviser has occasion to conduct trading through a broker-dealer for multiple Clients in the same security, it will seek to aggregate orders whenever practicable and cost-efficient.

Item 13 – Review of Accounts

A. Frequency and Nature of Review: The Adviser’s investment team professionals and financial operations professionals review the operations of the Portfolio Companies on an on-going basis. These professionals monitor operations, overall performance, financial performance and strategic direction of each Portfolio Company. Each Portfolio Company provides regular reports regarding its financial status and performance.

B. Factors Prompting a Non-Periodic Review of Accounts: As each Portfolio Company is monitored on an on-going basis, review other than in the ordinary course would be unusual but may be triggered by a material market event or particular event occurring at the Portfolio Company.

C. Content and Frequency of Regular Account Reports:

To the extent the Fund GP is permitted to do so under applicable law and any applicable agreements, the Fund GP shall deliver such other information regarding the Portfolio Company available to the Fund GP as an Investor may reasonably request, including any quarterly and annual financial reports of the Portfolio Company.

Item 14 – Client Referrals and Other Compensation

A. Non-Client Benefits: Aside from the receipt of Other Fees, as described in Item 11B, the Adviser does not receive economic benefits from a person who is not a Client for providing investment advice or other advisory services.

B. Compensation for Client Referrals: The Adviser has not employed third-party solicitors for KDS Partners LLC at this time, but may do so in the future.

Item 15 – Custody

The Adviser has “custody” of the assets and securities of the Funds for purposes of Rule 206(4)-2 of the Investment Advisers Act of 1940 (the

“Custody Rule”). All Fund assets and securities over which the Adviser has custody are maintained at a “qualified custodian”, unless an exception to this requirement is permitted. Each of the Funds undergoes an annual audit by a PCAOB-registered auditor that is subject to PCAOB inspection. All Investors will receive audited financial statements for the Funds within 120 days of the end of the fiscal year in accordance with the Custody Rule requirements. Consequently, Investors will not receive statements directly from qualified custodians.

Item 16 – Investment Discretion

As discussed in Item 4 above, the Adviser provides advisory services on a discretionary basis to the Funds. The limits of the Adviser’s investment discretion are set forth in the applicable Governing Fund Documents, and Investors agree to become subject to such discretion when they execute subscription documents. As each Fund only has one investment in a Portfolio Company, Investors have no ability to request or direct a change in the stated investment objectives and guidelines.

Item 17 – Voting Client Securities

Although the Adviser’s investment program does not typically involve publicly-traded securities, where such securities are involved, the Adviser believes its policies and procedures are reasonably designed to ensure that proxies are voted in the best economic interests of Clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. A summary of the Adviser’s proxy voting policies and procedures are set forth below. Clients may obtain a copy of the Adviser’s complete proxy voting policies and procedures upon request by contacting the Adviser as set forth on the Cover Page.

The Adviser has authority to vote all proxies for securities held in all Client portfolios. Voting decisions are made by the Managing Members, in consultation with the relevant investment team. Absent good reason to the contrary, the Adviser will generally give substantial weight to management recommendations regarding voting, and will vote for routine matters in favor of management proposals. Non-routine matters will be voted on a case-by-case basis, given the complexity of many of these issues.

Investors may not direct the Adviser’s vote in any proxy solicitation.

Potential conflicts of interest between the Adviser and Client accounts may arise when the Adviser’s relationships with an issuer or with a related third party actually conflict, or appear to conflict, with the best interests of the

Client(s). If the issue is specifically addressed in the Adviser's proxy voting policies and procedures, the Adviser will vote in accordance with the stated policies. In a situation where the issue is not specifically addressed in the policies and an apparent or actual conflict exists, the Adviser shall either: (i) delegate the voting decision to an independent third party; (ii) inform the Investors of the conflict of interest and obtain advance consent of a majority of such Investors for a particular voting decision; or (iii) not vote. The CCO will be responsible for documenting the rationale for the decision made and voted. In all such cases, the Adviser will make disclosures to Investors of all material conflicts and will keep documentation supporting its voting decisions.

Note that the policies referenced above are not intended to govern situations where the Adviser, or a representative of the Adviser who is a member of the board of directors of a Portfolio Company, is required to make decisions concerning the affairs of a Portfolio Company. In those cases, the Adviser (or its representative) will exercise decision-making authority consistent with applicable fiduciary duties.

Item 18 – Financial Information

The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.