

# **Kelson Asset Management LLC**

**2 Ravenglass Drive, 3rd Floor  
Stamford, CT 06903**

**Telephone: 917-691-8007**

**March 31, 2023**

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

This brochure provides information about the qualifications and business practices of Kelson Asset Management LLC. If you have any questions about the contents of this brochure, contact us at 917-691-8007. 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.

Additional information about Kelson Asset Management LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Kelson Asset Management LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our initial filing dated March 29, 2022, we have the following material changes to report:

- We have moved our firm's primary business office to 2 Ravenglass Drive, 3rd Floor, Stamford, CT 06903.

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## Item 4 Advisory Business

### Description of Firm

Kelson Asset Management LLC is a registered investment adviser primarily based in Stamford, CT. We are organized as a limited liability company ("LLC") under the laws of the State of Delaware. We have been providing investment advisory services since 01/05/2021. We are primarily owned by Daniel Ledva and Brian Rathjen.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Kelson Asset Management LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

Kelson Asset Management currently provides discretionary investment advisory services to private investment funds (individually, a "**Fund**" and collectively as the "**Funds**") and serves as the investment adviser to, certain private investment funds. The detailed terms, strategies and risks applicable to the Funds are described in each Fund's organizational and offering documents. Details of the guidelines, parameters and restrictions on investments relating to the Fund clients may be found in the applicable Fund's Private Placement Memorandum.

Such funds are available for investment only by institutional investors and other sophisticated, high-net-worth investors, who meet the eligibility requirements of the applicable fund set forth in its Governing Documents. Each such fund is exempt from registration as an investment company under the U.S. Investment Company Act, as amended (the "Investment Company Act"), under Section 3(c)(1) thereof.

### Wrap Fee Programs

We do not participate in any wrap fee program.

### Assets Under Management

As of December 31, 2022, we provide continuous management services for approximately \$173,526,064 in client assets managed on a discretionary basis.

## Item 5 Fees and Compensation

To qualify for an investment in a private fund an investor to the private fund must be a qualified investor, either as an accredited investor or qualified purchaser as applicable to the corresponding private fund offering documents. For a full description of the applicable fees, including performance based fees, and expenses charged to the respective private fund, investors should review the associated offering documents.

Our annual private fund portfolio management fee, as describe in Item 6, is billed and payable, as invoiced.

**Co-investments** are charged based on various factors as follows:

Neither the Manager's nor any Class A Member's interest in the Company will bear any management fee. For purposes of the LLC Agreement, an Investment Series shall be terminated upon the disposition of the Securities held in respect of such Investment Series and final distribution of cash and Securities, if any, related thereto.

In the case of each Class B Member, one percent (1%) of such Class B Member's Series Commitment Amount related to such Investment Series and in the case of each Class C Member, two percent (2%) of such Class C Member's Series Commitment Amount related to such Investment Series. Such applicable management fee shall be payable or accrue as follows: (i) the initial annual management fee payment related to such Investment Series shall be paid on the date the initial capital contribution is made by such Member in respect of its Series Commitment Amount related to such Investment Series, and (ii) the remaining annual management fee payments shall be paid in annual installments starting on or after the first anniversary of the date the initial capital contribution is made by such Member in respect of its Series Commitment Amount related to such Investment Series until the termination of such Investment Series.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with Kelson Capital Group, LLC and Roberts & Ryan, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

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

To qualify for an investment in a private fund and its performance-based fee arrangement, an investor to the private fund must be a qualified investor, either as an accredited investor or qualified purchaser as applicable to the corresponding private fund offering documents. For a full description of the applicable fees, including performance based fees, and expenses charged to the respective private fund, investors should review the associated offering documents.

The **Private Funds** performance fee is generally equal to a maximum of 30% of the annual gross profits generated within the fund. Fees will be adjusted for deposits and withdrawals made during the 12-month period. In the event the fund is closed out and assets are sold on a date other than year-end, fees will be due at the time of withdrawal. There are no other fees charged to the private funds and their investors.

**Co-investments** are charged based on various factors and include a performance fee as follows: First, one hundred percent (100%) shall be distributed to such Class B Member until such Class B Member's unreturned capital contributions with respect to such Investment Series are reduced to zero; and (b) Thereafter, ninety percent (90%) shall be distributed to such Class B Member and ten percent (10%) shall be distributed to the Manager. Interim Amounts apportioned to each Class C Member will be distributed to such Class C Member and the Manager in accordance with the following: (a) First, one hundred percent (100%) shall be distributed to such Class C Member until such Class C Member's

unreturned capital contributions with respect to such Investment Series are reduced to zero; and (b) Thereafter, eighty percent (80%) shall be distributed to such Class C Member and twenty percent (20%) shall be distributed to the Manager.

Performance-based fees create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance-based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

## **Item 7 Types of Clients**

We offer investment advisory services to private investment funds.

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

### **Private Funds**

Kelson Asset Management bases its advice to such private investment funds on the investment objective and restrictions (if any) set forth in the applicable offering memorandum, organizational documents, investment management agreement, and/or subscription agreements.

Please refer to the Fund's offering documents for further information regarding methods of analysis investment strategies and risk of loss.

### **Recommendation of Particular Types of Securities**

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

**Private Placements:** A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission.

**Risk:** Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

### Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Kelson Capital, LLC and Roberts & Ryan, Inc. a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### Arrangements with Affiliated Entities

We are affiliated with Kelson Capital LLC and Roberts & Ryan, Inc. through common control and ownership. The affiliate is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Persons providing investment advice on behalf of our firm are also registered representatives with our affiliate broker dealer. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

**Item 12 Brokerage Practices**

We maintain relationships with several broker-dealers. While you are free to choose any broker-dealer or other service provider as your custodian, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

**Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

**Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars, and may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

Persons providing investment advice on behalf of our firm who are registered representatives of Kelson Capital Group, LLC and Roberts & Ryan, Inc. will recommend Kelson Capital Group, LLC and Roberts & Ryan, Inc. to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from Kelson Capital Group, LLC and Roberts & Ryan, Inc. unless Kelson Capital Group, LLC and Roberts & Ryan, Inc. provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through Kelson Capital Group, LLC and Roberts & Ryan, Inc.. It may be the case that Kelson Capital Group, LLC and Roberts & Ryan Inc. charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through Kelson Capital Group, LLC and Roberts & Ryan, Inc., these individuals (in their separate capacities as registered representatives of Kelson Capital Group, LLC and Roberts & Ryan, Inc.) may earn commission-based compensation as result of placing the recommended securities transactions through Kelson Capital Group, LLC and Roberts & Ryan, Inc.. This practice presents a



conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use Kelson Capital Group, LLC and Roberts & Ryan, Inc., we may not be able to accept your account. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Aggregated Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "aggregated trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

The Chief Compliance Officer will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are registered representatives with Kelson Capital, LLC and Roberts & Ryan, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## Item 15 Custody

### Private Investment Companies

We serve as the investment adviser to KC 10T Partners SPV LLC, KC10T AI Partners SPV, LLC, KC10T Kraken Co-Investment SPV LLC, KC10T Bitfury Co-Investment SPV LLC, KC10T Cipher Co-Investment SPV LLC, KC10T DAE Partners SPV, LLC, KC10T Ledger Co-Investment SPV LLC, KC10T Helium Co-Investment LLC, and KC10T Derbit Co-Investment LLC (the "Fund", whether one or more), a private pooled investment vehicle in which our clients are not solicited to invest. The Fund is offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents. Persons affiliated with our firm may have made an investment in the Fund and may have an incentive to recommend the Fund over other investments.

In our capacity as investment adviser to the Fund, we will have access to the Fund's funds and securities, and therefore have custody over such funds and securities. We provide each investor in the Fund with audited annual financial statements or go through a surprise examination by an independent accountant. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

## Item 16 Investment Discretion

Form ADV Part 2A requires registered investment advisers to disclose whether or not they accept discretionary authority to manage client accounts. We do not provide discretionary for separate managed accounts.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.