Form ADV Part 2A

Uniform Application for Investment Adviser Registration

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This brochure provides information about the qualifications and business practices of Shepherd Kaplan Krochuk LLC. If you have any questions about the contents of this brochure, please contact us at 617-896-1600. 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 Shepherd Kaplan Krochuk LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

Item 2: Material Changes

This version of the brochure includes changes, which may be material, to the version of the brochure in the annual amendment of Form ADV dated March 30, 2020 previously filed:

Item 18 has been amended to reflect the firm’s participation in the CARES Act Paycheck Protection Plan loan program.

Item 3: Table of Contents

Item 4: Advisory Business

Shepherd Kaplan Krochuk, LLC (Shepherd Kaplan Krochuk, SKK, or us/we) has been in business since 2001. It was formerly named GRT Capital Partners, LLC, and changed its name in November 2017 when it combined with Shepherd Kaplan LLC, a Boston based registered investment adviser. As a result of the combination, Shepherd Kaplan LLC (SK) became a majority-owned and wholly controlled subsidiary of SKK. The Management Board of SKK is comprised of David Shepherd, David Kaplan, Timothy Krochuk, Stephen Brackett and Brian Lockhart, who together own the company. The current members of the Management Board are also members of SKK Group, LLC, which serves as the managing member of the general partner or manager of a number of the private investment funds. Stephen Brackett is President and Co-Head of Alternative Investments at SKK and Tim Krochuk is also Co-Head of Alternative Investments. Timothy Krochuk was also a member and founder of GRT Capital Partners, LLC. Brian Lockhart is CEO of Peak Capital Management, LLC (PCM), an SEC-registered investment adviser based in Greenwood Village, Colorado which was acquired in February 2020 by SKK.

SKK is the overarching adviser of all of the clients of the firm, including asset management clients directly advised by SKK and the wealth management clients sub-advised by SK, but excluding PCM.

Readers who are primarily interested in the wealth management services provided by SK should read SK's separate Form ADV Part 2A brochure available at www.adviserinfo.sec.gov.

Readers who are primarily interested in the asset management advisory services provided by SKK directly should read this Form ADV Part 2A brochure.

Although SKK is the Managing Member of PCM, PCM is currently operated as a separate advisory business from both SKK and SK, and this brochure does not address the services provided by PCM to its clients. Readers who are primarily interested in the investment advisory services provided by PCM directly should read PCM's separate Form ADV Part 2A brochure available at www.adviserinfo.sec.gov.

In providing asset management services, SKK gives advice as to the investment of funds on the basis of the particular needs of its clients. In the case of institutional investors, unless otherwise agreed, these services are offered to the institution, such as private investment funds, pension plans, investment companies, and other institutions that are clients of SKK, and not directly to the investors, limited partners, members, participants or clients of such institutions. SKK can also provide regular and continuous advisory services to high net worth individuals. In managing assets, SKK considers the specific investment objective and strategies, as well as guidelines and restrictions, established for each client account and tailors its advisory services accordingly. SKK normally retains full investment discretion to buy and sell securities and otherwise make investment decisions for asset management accounts that it manages directly. Clients may impose restrictions on investing in certain securities or types of securities.

As of December 31, 2019, SKK managed client assets of approximately $1,083,973,141 on a discretionary basis and $5,681,238,373 on a non-discretionary basis.

In addition to the other services, SKK may, in appropriate circumstances, provide certain clients with information and/or advice regarding investments in SKK's own sponsored, private investment funds including hedge funds, private equity funds and private real estate funds. Such investments present potential conflicts of interest, as discussed in Item 11 of this brochure.

SKK does not participate in "wrap fee" programs.

Item 5: Fees and Compensation

I. Fees and Compensation on Wealth Management Accounts Sub-advised by SK

A. Institutional Clients

Fees are either a flat fee negotiated with the client or are based on assets under management and plan type, and in some cases include a minimum annual fee. Annualized fees are set forth in the client's management agreement. Percentage based fees generally range from 5 to 50 Basis Points (bps, 1 bps = .01%) and are negotiated on an individual basis. Generally, bills for services are issued on a quarterly basis in advance. Clients in certain instances also pay an initial negotiated consulting fee. If applicable, there is an additional fee for conducting a vendor search for a custodian or administrative record keeper. Clients approve invoiced fees prior to payment.

Fees are either deducted from client-designated accounts or are billed to the client and paid separately. At the time of client relationship termination, any fees received for services not yet performed will be fully refunded on a pro-rated basis.

B. Private Clients

Fees are generally assessed based on assets under management and include a minimum fee in particular situations. Annualized fees are set forth in the client's management agreement. They generally range from 40 to 100 Basis Points (bps, 1 bps = .01%) and are negotiated on an individual basis. Generally, bills for services are issued on a quarterly basis in advance. Clients also pay a negotiated initial consulting fee in particular situations.

In some limited circumstances, a sophisticated private client agrees to a performance-based fee that both parties deem appropriate. In such cases, both parties agree that the fee will include a portion of the return on the client's investments. Performance-based fee arrangements raise potential conflicts of interest, which are further discussed in Item 6.

Recommendations that clients purchase or sell securities using borrowed money (i.e. margin accounts or lines of credits) create a potential conflict of interest. This conflict occurs because advisory fees are based on the total market value of the securities in the clients' accounts. A margin debit balance does not reduce the total market value of securities on which a client will be billed. By using borrowed money to purchase securities, the total market value of an account will be higher, which results in a higher advisory fee.

Fees are either deducted from client-designated accounts, or clients choose to be billed and pay fees separately. On a quarterly basis, clients receive an invoice with details of their assets as of quarter end and the fees charged for each account. At the time of client relationship termination, any fees received for services not yet performed will be fully refunded on a pro-rated basis.

C. Endowment and Foundation Clients

Fees are either a flat fee or are based on assets under management and include a minimum fee in certain instances. Annualized fees are set forth in the client's management agreement. They generally range from 20 to 100 Basis Points (bps, 1 bps = .01%) and are negotiated on an individual basis. Generally, bills for services are issued on a quarterly basis in advance. Clients also pay an initial consulting fee if agreed upon.

Fees are either deducted from client-designated accounts, or clients choose to be billed and pay fees separately. On a quarterly basis, clients receive an invoice with details of their assets as of quarter end and the fees charged for each account. At the time of client relationship termination, any fees received for services not yet performed will be fully refunded on a pro-rated basis.

D. Other Fee Information

Any SKK client who receives wealth management services from SKK and decides to invest in one or more of SKK's private fund offerings will not be charged both wealth management fees and a fund management fee on the same asset. The potential for SK and/or SKK and their related parties to benefit from investments made in those private equity and real estate funds presents a potential conflict in selecting such investments to recommend to clients. SKK believes that these conflicts are mitigated by its investment process and disclosures. SKK will provide disclosures regarding potential conflicts to any clients to which it recommends investments in private equity and real estate fund offerings and otherwise as necessary, in addition to the disclosures provided in this brochure.

Clients are also subject to fees charged by others such as custodians, broker-dealers and/or investment managers. Fees include custodial fees, brokerage commissions or other fees or charges associated with securities transactions, mark-ups or mark-downs in principal transactions, deferred sales charges, wire transfer or related processing fees or other charges mandated by law or regulation.

Mutual fund expenses, including exchange traded funds, in which account assets are invested by SKK or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which the account will be charged separately from the fee paid for advisory services.

Clients with investments in private funds (including those offered by SKK) will normally be charged a management fee and other expenses by the private fund, subject to the waiver discussed in the first paragraph of this section applicable to clients receiving wealth management services from SKK. The manager, general partner or investment manager also charges, if agreed, a performance fee which is based on a fund's net profits.

Please see Item 12 for additional information regarding brokerage arrangements.

II. Fees and Compensation for Asset Management Accounts Advised Directly by SKK

A. Advisory Fee for Private Investment Funds

SKK manages the assets of private investment funds organized by SKK or its affiliates. The fees paid by such private investment funds are described in their offering materials and vary depending on the objectives and strategies of a particular fund. The private investment funds pay a fee for advisory services comprised of one or more components depending on the structure and portfolio of the fund and include a fixed percentage fee component, a performance-based incentive fee component, and/or an up-front fee component. For hedge funds, the typical fixed percentage fee component is equal to 1.5% per annum of net assets and is payable in advance on a quarterly basis (*i.e.*, 0.375% quarterly). For private equity funds with limited liquidity and a limited expected term, SKK charges a single, up-front management fee instead of an annual fixed percentage fee. Typically the performance-based, incentive fee component is equal to 20% of a hedge fund's net profit for any fiscal year, subject to a "loss carry forward" and other conditions, and can vary significantly with added variables based on time or the occurrence of specific liquidity events for private equity funds. Net profit is defined in a fund's governing documents and generally includes, among other things, realized and unrealized appreciation and depreciation in a fund's securities positions. Under the "loss carry forward" provision, the incentive fee is not paid with respect to a fiscal year until any previous net loss is offset by subsequent profits, as calculated on the basis of the capital account of each participating investor in the private investment fund. Fees are waived or reduced for fund investors that are members, principals, employees or affiliates of SKK, friends and relatives of such persons, and others, including certain large or strategic investors.

Private investment funds organized by SKK or its affiliates pay additional costs, generally to third parties, such as audit, administrative, legal, and/or custodial expenses.

A private investment fund has the right to terminate its investment advisory service arrangements with SKK effective after giving advance written notice as stipulated for the given fund. Upon termination of an investment management agreement involving a hedge fund, any fixed percentage fee that has been prepaid will be prorated to reflect the portion of time that the investment advisory services were provided during the relevant period. Upon termination of an investment management agreement involving a private equity fund which has paid an upfront management fees, no refund is paid upon any termination.

B. Withdrawal Fee for Private Investment Funds

Certain SKK-sponsored private investment funds apply a special fee on early withdrawals. In the event an investor in a private investment fund withdraws all or a portion of the investor's capital account within one year of becoming an investor, the investor must pay the fund a withdrawal fee of 2% of the amount withdrawn. Certain SKK sponsored private funds do not permit investors to borrow or make an early withdrawal of any portion of the capital contributions made to it.

C. Advisory Fee for Separately Managed Accounts

In addition to the accounts for private investment funds, SKK provides advice to separately managed accounts, including accounts of high net worth individuals, for a fixed percentage fee of 1.5% per annum of net assets, which is payable in advance on a quarterly basis (*i.e.*, 0.375% quarterly). The fee is subject to adjustment depending on the specific investment strategy for the account. For example, a separately managed account whose strategy includes the taking of short positions could have an additional performance-based, incentive fee or other additional fee component as mutually agreed with the client. A typical performance-based, incentive fee component is equal to 20% of the account's net profit for any fiscal year, subject to a "loss carry forward" and other conditions.

Investment advisory arrangements for separately managed accounts are terminable at any time by the client or SKK, subject to advance notice for a stated number of days (*e.g.*, 60 days) as set forth in the investment management agreement between the parties.

D. Other Fee Information

Fees are subject to modification and negotiation based on a consideration of relevant factors. A fee is modified or negotiated where the relationship of the account to other accounts served by SKK is a factor, the possible sub-advisory role of SKK, the nature and scope of the responsibilities of SKK in a given relationship, the initial size of the account, the expected cash flow into the account for new investment, or expected withdrawals of cash from the account, and other reasons.

Clients choose whether to have management fees deducted from their assets under management or billed to them. Fees are payable as mutually agreed between Client and SKK and may be monthly, quarterly and/or annually. Clients also incur separate custodian fees, separate brokerage fees, and other transaction costs in connection with trades made for their account (see Item 12, Brokerage Practices). Clients indirectly incur the fees and expenses of a mutual fund or electronically traded fund to the extent that the assets under management are invested in such funds. Where management fees are paid in advance, as in the case generally for a private hedge fund which is a client, the amount of the prepaid management fee will be prorated in the event of the early termination of the account to reflect the portion of the prepaid period that the investment advisory services were provided; however, for private equity funds prepaid management fees are generally not prorated in the event of an early termination.

Where an investor interested in a private investment fund sponsored by SKK is introduced to the private investment fund by a broker-dealer, placement agent, or other outside service provider, the general partner or manager of such private investment fund deducts a percentage of the amount invested by such investor in certain situations to pay sales fees or charges, on a fully disclosed basis, to such broker-dealer, placement agent or outside service provider based upon the capital contribution of such investor, where consistent with applicable law. Any such sales fees or charges would (i) be assessed against the referred investor, (ii) not be a capital contribution of the investor, and (iii) reduce the amount actually invested by such investor in the private investment fund. Such assumption of expenses by investors benefits SKK by increasing assets under SKK management. See Item 14 below, Client Referrals and Other Compensation.

Generally for wealth management clients sub-advised by SK, and in some instances where SKK manages a separate account, an employee of SKK is compensated based in whole or in part on a percentage of applicable client-managed assets for which the employee performed marketing services and/or performs ongoing servicing responsibilities, including without limitation advisory responsibilities. This practice presents a conflict of interest as it gives the employee an incentive to recommend investment advisory services based on compensation derived from total client assets, rather than on a client's needs. The firm believes that its investment process mitigates such conflicts. Also, these conflicts are disclosed by providing a copy of this brochure to prospective clients Please see Item 11 for a more detailed discussion of conflicts of interest.

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

As mentioned in Item 5, Fees and Compensation, most of the private investment funds pay a fixed percentage fee component, a performance-based incentive fee component, and/or an upfront fee component, for advisory services. In limited circumstances, SKK also negotiates a performance-based fee with a sophisticated wealth management client where the parties deem appropriate.

Performance-based fee arrangements raise certain potential conflicts of interest. A performance-based fee can create an incentive to recommend investments that are riskier or more speculative than would be the case absent such a fee. SKK has policies and procedures in place that are designed to prevent these conflicts from influencing the allocation of investment opportunities. In addition, SKK believes that conflicts arising from performance-based fees are mitigated by its practice of recommending investments to clients based solely on each client's individual needs and circumstances with a view toward the long-term success of each client relationship.

In addition, some supervised persons manage not only accounts that are charged a fixed percentage fee and a performance-based fee, but also accounts that are charged only a fixed percentage fee. SKK and the supervised person face potential conflicts of interest by managing these accounts at the same time, because SKK and the supervised person have an incentive to favor accounts which pay a performance-based fee. SKK addresses this conflict of interest by allocating trades for asset management accounts in a formulaic, quantitative manner in accordance with SKK's Trade Allocation Policy. Trades are generally allocated pro-rata automatically by the asset management trading system based on relative assets of the accounts or allocated in a manner to facilitate balancing of weightings in an account. Allocations, however, are adjusted in light of the amount of cash inflows or outflows that an account has, or to avoid *de minimis* allocations of less than 100 shares, or odd lots, or for similar, administrative efficiencies. See Item 12.IV. for further information on SKK's trade allocation practices.

Item 7: Types of Clients

SKK offers regular and continuous advisory services for private investment funds, pension plans, investment companies, institutions, endowments & foundations, private clients, and high net worth individuals. Unless otherwise agreed, in the case of institutional clients, SKK provides such services to the institutions, as distinguished from investors, limited partners, members, participants or clients of such institutions themselves. Information on clients for which SK provides sub-advisory services can be found in SK's separate Form ADV Part 2A brochure.

The target minimum amount of initial assets for a new separately managed account is $10,000,000. The minimum account size for any new account is, however, subject to modification by mutual agreement with a client as determined on a case by case basis in light of particular circumstances. The investment objective, strategy or guidelines of the account, particularly the introductory nature of a new strategy or investment approach for a private investment fund, the expectation of additional contributions to an account, the present or expected business relationship with the specific client or other potential clients, and similar considerations, can affect the minimum initial account size agreed upon.

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

I. Methods of Analysis

With respect to asset management services, SKK may use any methods of securities analysis and any investment strategies which SKK believes may be helpful in achieving the investment objectives of its clients, consistent with any guidelines and restrictions that the client may otherwise request. Information on methods of analysis applied by SK can be found in SK's separate Form ADV Part 2A brochure.

SKK uses a variety of investment approaches and techniques in managing accounts, with an emphasis on the use of fundamental research. Fundamental research involves research that is conducted on the business and characteristics of specific companies to determine whether the companies have investment potential. Fundamental research can include interviews with company management, analysis of a company's historical financial statements, and creation of financial models of the company's projected financial performance, among other things. Company presentations and contacts can be a source of fundamental research. Company presentations are usually made by officers or senior members of an issuer and can provide an insight into management as well as an opportunity to ask questions. The presentations can be conducted via teleconferencing, at meetings in person at company sites, at SKK's office, or at venues sponsored by brokers. Similarly, information is available through various trade shows or conferences which focus on specific industries or investment styles. SKK may also review industry literature and discuss key products with users of the products and other sources directly or through expert networks.

In addition, SKK uses various quantitative techniques and its own proprietary models to manage accounts, and to monitor selected securities and performance against internal parameters. SKK may also use hypothetical models and back testing to develop products and services. In this approach, models are developed based on a review of historical data for a sample period and then applied retroactively, or back tested, against a longer period of historical data to create simulated results. The models are refined based on the simulated results and can form the basis of new investment hypotheses for use in managing accounts.

SKK generally retains investment discretion in managing the portfolios of its asset management clients. Certain hedge funds managed by SKK follow a similar strategy to each other but are organized and offered as separate funds in accordance with technical provisions of the Investment Company Act of 1940. Also, an investor might decide to create a separately managed account which follows the same hedge fund strategy. SKK seeks to manage such portfolios with similar investment objectives, strategies, guidelines and restrictions, in a manner which, over a reasonable period of time, results in comparable sector, industry, and issuer weightings across such portfolios. However, at times, it may be appropriate for SKK to make recommendations and take actions that are different for otherwise similar accounts. Different actions may be taken for similar accounts because of other circumstances that affect the account, such as the account's size, cash additions and withdrawals for the account, the account's tax status, the tax ramifications of particular trades, the timing of an account's entry into the market, and the viewpoints of different portfolio managers assigned to the accounts.

Other investment strategies used by SKK can include cash management techniques that are helpful in certain market scenarios. Cash management techniques can be especially important when markets are erratic or when SKK believes it is desirable to hedge part of a portfolio. In another technique that is used on occasion, SKK may trade around a position to take advantage of volatility in the markets.

SKK has broad and flexible investment authority in most client accounts and may cause the portfolios to invest in a wide spectrum of investments consistent with the asset management client's investment strategy. SKK will generally invest in publicly traded equities, limited and private offerings of operating companies and special purpose vehicles depending on the strategy and guidelines of a particular client. Depending on the investment parameters of a given account, SKK may take long or short positions in securities and buy and sell covered and uncovered options on securities. Short sales and the sale of uncovered options can involve substantial risk.

A portfolio's investments may at any time include long or short positions in U.S. and non-U.S. publicly issued and non-public common stocks, American Depositary Receipts ("ADRs"), American Depositary Shares ("ADSs"), Global Depositary Receipts ("GDRs"), preferred stocks, stock warrants and rights, bonds of all types including distressed and defaulted bonds, notes or other debentures, debt participations or bank debt, convertible securities, distressed securities, foreign currencies, forward contracts, commodities, commodity contracts, commodity futures, financial futures, partnership interests (such as private investment funds), publicly traded or master limited partnerships, swaps, options (including options on stock market indices), derivative contracts and structured notes, and other securities or financial instruments including those of investment companies, such as closed end funds or exchange traded funds ("ETFs"), royalty trusts, exchange traded notes ("ETNs"), real estate investment trusts ("REITs"), and special purpose vehicles. In addition to the borrowing which is inherent in a short sale or derivative contract, certain portfolios may buy securities on margin and may arrange with banks, brokers, and other financial institutions to borrow money against a pledge of securities in order to employ leverage. Certain financial instruments used by some clients, such as options or swaps, contain inherent leverage.

SKK does not currently envision significant investments in tangible commodities, options on tangible commodities, futures on tangible commodities, or financial futures. SKK may however engage in transactions in securitized products which tend to move like commodities. In connection with its investments in foreign securities, SKK does engage in transactions in foreign currencies; foreign currencies are not viewed by SKK as tangible commodities.

A number of accounts run active long-short portfolios and can employ financial leverage, through margin borrowing or in other ways. Such accounts may also take short positions as well as long positions in securities. Some accounts are long only.

II. Risk of Loss

A number of the investment strategies of SKK involve speculative investments and are not intended as a complete investment program. The strategies are suitable only for clients who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment and who meet other conditions. There is no assurance that any of the strategies will perform satisfactorily. Investing in securities involves risk of significant loss that clients should be prepared to bear. SKK's investment strategies involve the following material risks, among others.

A. Equity Risk – Since the strategies involve the purchase of equity securities, the strategies are subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments or by world events. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in securities.

B. Short Sales Risk – Short sales are transactions in which an account sells a security it does not own. The account must borrow the security to make delivery to the buyer. The account is then obligated to replace the security borrowed by purchasing the security at the market price at the time of replacement. The price at such time may be higher or lower than the price at which the security was sold by the account. If the underlying security goes down in price between the time the account sells the security and buys it back, the account will realize a gain on the transaction. Conversely, if the underlying security goes up in price during the period, the account will realize a loss on the transaction. Because the market price of the security sold short could increase without limit, the account could be subject to a theoretically unlimited loss. The risk of such price increases is the principal risk of engaging in short sales.

C. Options Risk – An account may engage in the purchase or sale of options, which involve the payment or receipt of a premium by the account and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the seller is exposed to the extent of the actual price movement in the underlying security, rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

D. Small- and Mid-Capitalization Company Risk – The small- and mid-capitalization companies in which accounts may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small- and mid-cap stocks may be more volatile than stocks of larger companies. These securities may be traded over-the-counter or listed on an exchange.

E. Investment Style Risk – Many of the strategies used by SKK involve the pursuit of a "value style" of investing. Value investing focuses on companies with stocks that appear undervalued in light of a variety of factors. If SKK's assessment of a company's value or prospects is wrong, an account could suffer losses or produce poor performance relative to other funds. In addition, "value stocks" can continue to be undervalued by the market for long periods of time. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which an account may invest, there is a potential risk of loss by an account of its entire investment in such companies. Over time, a value investing style may go in and out of favor, causing an account to sometimes underperform other funds that use differing investing styles.

F. Non-Diversification – Some strategies involve investments primarily in one industry or sector, or other grouping, such as issuers that focus on health care, energy or real estate. Accordingly, an account which follows such a strategy will not be diversified among a wide range of industries, geographic areas and / or types of securities. Further, the account's portfolio may not be diversified among a wide range of issuers. Some strategies may invest in a single issuer. Companies in a single industry or closely related industries often are faced with the same obstacles, issues and regulatory burdens, and their securities may react similarly and move in unison. Thus, stock prices of portfolio companies can change collectively without regard to the merits of individual companies. The investment portfolio of such accounts may be subject to more rapid change in value than would be the case if the account maintained a wide diversification among industries, areas, types of securities and issuers.

G. Concentration – As noted, a strategy can be fully concentrated in a single issuer and not be diversified among a wide range of issuers. Because the portfolio will not be diversified among a wide range of issuers, the investment portfolio will be subject to significant concentration risks and more rapid change in value than would be the case if the portfolio were required to maintain a broader diversification among issuers. Exposure to a single issuer could result in it suffering losses disproportionate to those incurred by the market in general. By not being invested in any additional issuers, an investor may be substantially adversely affected when that one interest underperforms.

H. Frequent Trading – The investment strategies used by SKK can involve the frequent trading of securities, and as a result, portfolio turnover, brokerage commission expenses, and other transaction costs and taxes, may significantly exceed those of other investment accounts of comparable size.

I. Real Estate – Some strategies used by SKK involve risks associated with real estate investments. Real estate values are affected by a number of factors, including changes in the general and local economic climate, the effectiveness of management, competition based on rental rates, attractiveness and property location, quality of maintenance, insurance and management services, and changes in operating costs. If properties do not generate sufficient revenues to meet their operating expenses, including debt service and capital expenditures, the operation may fail. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, and the availability of financing. The use of borrowed funds involves a substantial degree of financial risk and can amplify the effect of any increase or decrease in the value of an investment. If a development project has not been sold before the maturity of a loan, and alternate financing is not available, the project could be lost through foreclosure. Undeveloped land involves more risk than the acquisition of a property which has been developed; undeveloped land does not generate operating revenue while costs are incurred and may require more permitting approvals to facilitate development compared to developed properties. The success of projects involving new construction and rehabilitating existing buildings requires projecting costs, which is subject to risks regarding underlying conditions and future events which are inherently uncertain.

Further risks exist depending on the particular real estate factors for a given underlying real estate project. The particular enterprise involved may not have any operating history or any assurance of profitability. A recently organized entity may not have any revenues from operations or assets upon which investors may base an evaluation of its likely performance. The Property may face risks of unanticipated casualty, such as fire, vandalism, burglary, or environmental issues, such as radon, mold, or land that is contaminated by storage of regulated substances (gasoline, solvents, etc.). The Developer may elect not to obtain title insurance for whatever reasons. The investment under consideration may only be for a particular stage of development, and the planning for the remaining portion of the project may be incomplete and affected by increases in planning and construction costs, making it difficult to collect further capital contributions.

J. Private Equity Risk – Some strategies used by SKK involve concentrated investments in illiquid securities of individual, privately held companies or special purpose vehicles. Such investments may not have a public market at the time of purchase and may never develop a public market. They may not be registered under applicable securities law and the transfer of such interests is likely to be subject to restrictions on resales imposed by applicable securities law. These strategies may take a significant number of years before any returns are available to an investor, and investors may face a total loss of their investment.

K. Reliance on Outside Information – SKK's methods of analysis is dependent in part on information provided by issuers, third party consultants, rating agencies and other publicly available sources of information about issuers and securities. Reliance on such information is subject to the risk that the information is inaccurate or biased.

L. Cyber Related events -- To the extent SKK's advisory business incorporates or depends on various applications and systems to perform business functions, such as information technology hardware, computer software, the Internet, and related technologies, clients are subject to certain operational and information security risks related to them. Material risks include disruption of SKK's normal business activities due to hardware failure, infrastructure disruption, third party attacks on SKK's technological resources, unauthorized access to client non-public information, or unauthorized requests for financial transactions. These types of cyber related events may interfere with the processing of client transactions, cause the misappropriation of confidential client information, impair the services of third parties to SK, impact daily operations, or cause reputational damage to SK.

M. Fund Structure Risk – The structure of certain SKK-sponsored funds provides that profits and losses based on certain assets and activities are allocated to individual series of Interests, while general profits and losses are shared among all series. Since the fund is not structured as a Series Limited Liability Company, with statutory distinction between series, investments in the fund are exposed to possible claims of the fund's general creditors, governance risk, liabilities, and other risks of the Fund as a whole, including those arising from other series of Interests.

III. Investment Strategies

SKK currently follows a number of significant investment strategies, as described below.

A. Ventures – An account which follows the Ventures strategies seeks capital appreciation through investments in Financial Instruments issued by operating companies engaged in certain sector groups, which include, without limitation, the healthcare sector. The healthcare sector includes companies which develop specialized platforms for the delivery of diverse drugs throughout the body, conduct research, manufacture healthcare devices, provide health services, perform diagnostics, and provide pharmaceuticals, among other things. Another sector is advanced technologies and next generation infrastructure, including cybersecurity, 5G and adjacent technologies. Such an account may also invest in Financial Instruments issued by operating companies in other sectors. The general objectives of the Ventures strategy are to buy, sell, hold and otherwise invest in Financial Instruments and to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Financial Instruments. As used in this paragraph, Financial Instruments means all types of financial assets, U.S. or non-U.S., whether publicly or non-publicly traded, including but not limited to stocks, notes, bills, bonds, subscriptions, preferred stocks, convertible securities, options (including, without limitation, covered and uncovered puts and calls and over-the-counter options), rights, warrants, swaps, currencies, futures, other commodity interests, certificates of deposit, ADRs, International Depositary Receipts, interests in investment companies, and interests in ETFs. In many cases, such Financial Instruments may only be available through limited and private offerings. Through the Ventures platform, investors typically have an opportunity to invest in a series or share class of a Fund that in turn invests in selected securities of a single company.

B. Real Estate – An account which follows the Real Estate strategy seeks long term growth of capital. The account invests primarily in the preferred or non-preferred equity or debt securities of a single company or multiple companies involved in the development, ownership or management of commercial or residential real estate properties, including office buildings, hotels, condominiums, apartment units, or raw land, among other properties including niche property sectors. In selecting investments, the account looks for a disciplined and focused investment strategy on the part of management and/or promoters, a repeatable track record by them, and their familiarity with the particular real estate market affecting a given property, and other factors. The real estate strategy is an alternative asset class with reduced market correlation. SKK's involvement can range from direct involvement with the real estate developer and real estate management company, to a more passive, observant role.

C. Topaz Strategy – An account which follows the Topaz strategy seeks to achieve superior total returns while minimizing the probability of permanent impairment of capital by primarily investing in publicly traded equity securities deemed to be undervalued.

For the Topaz strategy, SKK uses an investment technique which involves so-called "conceptual buckets" of securities. A conceptual bucket is a grouping of investments which have particular characteristics in common, for example, a group of "turnaround stocks" or a group of "discounted sum-of-the-parts" companies. The portfolio of an account may include investments in a number of different conceptual buckets, each representing an element of a larger, overall investment strategy. Conceptual buckets provide a framework that SKK uses to divide a larger investment strategy into smaller, discrete parts which can be managed tactically.

Another investment technique that is used where appropriate is the employment of a "farm team" of selected companies for investment consideration. In this approach, an investment in a company often begins as a relatively small position and increases in size as SKK's confidence grows and the original investment thesis for the security is tested. Based on the performance of the "farm team" position, investment in the security may be increased or decreased thereafter.

An account may also take short positions in the securities of companies deemed to have worsening business fundamentals, deteriorating competitive positions, or is affected by other negative circumstances. To help increase returns, an account may employ financial leverage, through margin borrowing or in other ways, when it deems such action to be appropriate. The portfolio managers run an active long-short portfolio and engage in substantial options trading. While the strategy focuses primarily on U.S. equities, investments may also be made in non-U.S. securities.

D. Value Strategy – An account which follows the Value strategy seeks to achieve superior total returns while minimizing the probability of permanent impairment of capital by primarily investing in publicly traded equity securities deemed to be undervalued. While the strategy focuses primarily on U.S. equities, investments may also be made in non-U.S. securities. Value stocks include those which may be out of favor with investors or overlooked by analysts for a number of reasons. SKK looks for companies that appear likely to come back in favor, because of, for example, good prospective earnings, strong management teams, new products and services, or some unique circumstance. The Value strategy does not normally involve transactions in options or short sales.

E. Closed-End Opportunities – An account which follows the Closed-End Opportunities strategy seeks total return from a mix of income and capital appreciation. An account invests primarily in securities issued by closed-end investment companies or mutual funds, mostly those organized under the laws of the United States. However, an account may also invest in foreign closed-end funds. In addition, an account may invest in ETFs and take short positions. The strategy is to engage in opportunistic trading of closed-end funds to attempt to capture value as changes occur in the discounted price of the closed-end funds. The discount can fluctuate relative to the historical discount for a given fund or just in absolute terms. The fund may also engage in trading in options and ETFs directly or indirectly related to closed-ends funds or the portfolios of closed-end funds.

F. Energy – An account which follows the Energy strategy seeks long term growth of capital. The account invests primarily in the equity securities of global energy and natural resources companies and companies in associated businesses, as well as utilities (such as gas, water, cable, electrical and telecommunications utilities). The equity securities include common and preferred stock, convertible securities, warrants, depositary receipts and securities or other instruments whose price is linked to the price of common stock. The account may invest in companies of any size, ranging from large to small capitalizations, although SKK tends to focus on small capitalization companies. The account may invest, without limit, in companies located anywhere in the world and will generally invest in North America as well as companies tied economically to countries outside North America. An energy account can be structured to be managed with a long-only portfolio, or with a long-short portfolio that provides leverage.

G. Custom Strategies – In addressing the needs of specific clients, the above described strategies may be used in whole, in part, or in combination, along with any new strategies from SKK or as requested by the client, to create custom strategies. Custom strategies are those which the client and SKK have mutually agreed upon and which do not otherwise readily fit the above described strategies. For example, a client and SKK may agree to limit an account to a pre-selected group of companies to be managed in a manner which blends some of the above described strategies. Another strategy is to make tax-advantaged investments pursuant to certain federal income tax provisions through the creation of so-called opportunity zones as designated by the government to provide for local development and employment in under-served geographic locations. Other custom strategies include investments in companies involved in real estate, pharmaceuticals, or medical services. A strategy can involve investment in a private investment fund that only holds a significant position in one issuer, such as a single, large real estate project, or a single consulting company that specialized in creating financial structures for medical professionals. Another custom strategy can involve special situations identified by a special situations group that provides investment structures to effectively invest in various work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar situations. Custom strategies can also be long-only or involve the use of short selling and options. In another instance, a separately managed account can be created with a multi-strategy, multi-manager portfolio. Such a separately managed account with a specially designed infrastructure would allow each manager to run his distinctive sub-strategy as, in effect, a single account within the one separately managed account, which allows for tax, trading and cost efficiencies.

Item 9: Disciplinary Information

In February 2020 SKK became the sole owner of all voting securities of Peak Capital Management, LLC (“PCM”) and PCM’s principal, Brian Lockhart (“Lockhart”), became a member of SKK’s Management Board. Prior to this transaction, Lockhart entered into a Stipulation for Consent Order with the Colorado Division of Securities (“Stipulation”). In the Stipulation, the Staff of the Division (the “Staff”) alleged that in 2012 and 2013 Lockhart recommended an investment in a movie production company to some advisory clients and others regarding which he, as an Executive Producer, had a material conflict of interest that he maintains he disclosed orally to all of the clients. Multiple clients acknowledged such oral disclosure. The Staff determined that this recommendation was inconsistent with Lockhart’s obligations under Division Rule 51-4.8(IA)(K), which requires such disclosures to be made in writing. Under the Consent Order, Lockhart agreed not to violate Rule 51-4.8(IA)(K). No fine or other penalty was assessed.

Item 10: Other Financial Industry Activities and Affiliations

SKK has relationships with related persons engaged in certain financial businesses that are material to the advisory business and clients of SKK as set forth below. Related persons include entities, members, officers and employees (except administrative staff) controlled by or under common control with SKK. These related persons are primarily the investment advisory subsidiaries of SKK (SK and PCM) and entities related to the funds that SKK manages and advises.

Where SKK or one of its investment advisory subsidiaries recommends investments to its or their clients in related businesses, or if SKK and its related persons invest alongside clients or investors in businesses or private investment funds, including private investment funds that they manage, or participate in the management or governance of, or receive compensation, including securities, for services from, such businesses or private investment funds, conflicts of interest arise because SKK and its related persons may have interests different from those of its and its investment advisory subsidiaries' clients and investors. These potential conflicts of interest with clients and investors are described further below in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Entity	Function	Entity – Private Investment Company
Shepherd Kaplan Krochuk, LLC	Primary Investment Adviser	
Shepherd Kaplan, LLC	Sub-Investment Adviser	
SKK Closed-End Opportunities GP, LLC	General Partner of	SKK Closed-End Opportunities, LP
SKK Group, LLC	Manager of each GP or Manager listed in the column to the left	
SKK Provident Investors GP, LLC	General Partner of	SKK Provident Investors, LP
PCF Capital Markets, LLC	Broker Dealer	
SKK Real Estate GP II, LLC	General Partner of	SKK RE Ventures Fund II, LP SKK RE Ventures Fund PFD II, LP
SKK Topaz Partners (QP) GP, LLC	General Partner of	SKK Topaz Partners (QP), LP
SKK Topaz Partners GP, LLC	General Partner of	SKK Topaz Partners, LP
SKK Value GP, LLC	General Partner of	SKK Value Fund, LP
SKK Ventures Manager, LLC	Manager of	SKK Ventures, LLC
SKK Ventures QP Manager, LLC	Manager of	SKK Ventures QP. LLC
Peak Capital Management, LLC	Investment Adviser	
Peak Capital Management, LLC	General Partner and Manager of	PCM Tax Lien Fund, LP
SKK 9i Ventures Manager, LLC	Manager of	SKK 9i Ventures, LLC
SKK 9i Ventures QP Manager, LLC	Manager of	SKK 9i Ventures QP, LLC

SKK Opportunity Zone Fund I Manager, LLC	Manager of	SKK Opportunity Zone Fund I, LLC

Samuel Kidston is the sole member and owner of North & Webster SSG, LLC which is an independent consultant through which he provides portfolio management services relating to assets under management by SKK. Mr. Kidston and North & Webster SSG, LLC provide input on potential investments in work-outs, liquidations, spin-offs, reorganizations, and bankruptcies, among other special situations. Investments can be structured through the use of various entities in which SKK management persons can also be involved. Potential conflicts of interest exist insofar as SKK apprises a client or investor to consider an investment in a fund which SKK also manages.

PCF Capital Markets, LLC is a registered broker dealer and is owned primarily by Provident Healthcare Partners, LLC, a minority equity interest in which is held by SKK Provident Investors, LP. a private investment fund managed by SKK. Stephen Brackett represents the fund on the Board of Managers of Provident Healthcare Partners, LLC. SKK's indirect relationship with PCF Capital Markets, LLC creates potential conflicts of interest where, among other things, clients of PCF Capital Markets, LLC invest in SKK private investment funds; see Item 11 below regarding conflicts of interest.

SKK recently acquired Peak Capital Management, LLC ("PCM"), an investment adviser registered with the SEC. PCM develops investment strategies designed to manage risk utilizing an absolute return philosophy. Brian Lockhart is the Chief Executive Officer and Chief Investment Officer of PCM, a member of the SKK Management Board, and has an ownership interest in SKK and SKK Group, LLC. (See Form ADV for PCM at www.adviserinfo.sec.gov.) SKK's relationship to PCM creates potential conflicts of interest where, among other things, clients of PCM invest in SKK private investment funds; see Item 11 below regarding conflicts of interest.

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

I. Code of Ethics

Regulations require investment advisers to adopt a code of ethics. The firm's Code of Ethics (Code) establishes rules of conduct for all supervised persons of SKK. Generally speaking, the term "supervised persons" includes members, managers, employees of SKK and consultants, if any, who provide advice on behalf of SKK and are subject to SKK's supervision and control; the term "access persons" includes those supervised persons with access to non-public information about securities recommendations by SKK for clients. or purchases and sales of securities by SKK clients.

SKK and its supervised persons must comply with the rules of the Firm's Code of Ethics, their fiduciary duties to clients, and applicable federal securities laws. SKK's fiduciary duty to its clients require that SKK and its supervised persons act with good faith and in the best interests of clients. Provisions of the Code include transaction reporting requirements, require access persons to obtain approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering or in a limited offering, and the obligation to report Code violations promptly.

SKK will provide a copy of its code of ethics to any client or prospective client upon request.

II. Conflicts of Interest

Allocating resources and investment opportunities

Various conflicts of interest arise because of the close relationship of SKK, SKK Group, LLC, and members of the SKK Management Board. Members of SKK Group, LLC have an interest in incentive fees received from various private investment funds served by SKK. As a result, SKK Group, LLC and SKK (and their principals) have conflicts of interest in allocating their time and activity between various accounts, in allocating investments among accounts, and in effecting transactions between accounts, including ones in which SKK Group, LLC and SKK (and their principals) have a financial interest. Where accounts have similar investment strategies, SKK could favor one account over another because one account compensates SKK more than the other account. SKK has adopted trade allocation procedures, among other policies and procedures, which are designed to help address such conflicts. See Item 11 (I), Code of Ethics, and Item 6, Performance-Based Fees and Side-By-Side Management, above.

Cross Transactions

SKK reserves the right to cause the SKK private investment funds and other accounts directly managed by SKK to enter into transactions among or between themselves, commonly known as cross transactions. Cross transactions are mutually advantageous to the buying and selling accounts where, for example, one account needs cash and the other account has excess cash, or where cash flows or particular portfolio holdings have caused the accounts to deviate from desired weightings, and rebalancing is needed to meet certain weighting parameters. Cross transactions can reduce brokerage commissions for both accounts and can also help the accounts avoid an adverse market impact that trades in the market might otherwise create.

Cross transactions between the funds, accounts, or other clients are only considered when they are appropriate and in the best interests of the accounts under the circumstances, subject to full disclosure to the affected accounts and compliance with the various regulatory provisions that apply. In particular, purchase and sale transactions (including swaps) are permitted between or among the funds and other accounts subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commissions or fees (i.e., except for customary transfer fees or commissions) or other remuneration shall be paid for effecting any such transaction.

If an entity involved in a recommended transaction is at that time owned 25% or more by SKK or affiliates of SKK, the cross transaction is deemed to involve SKK as a principal. SKK will comply with further regulatory provisions that apply where a cross transaction with a participating account is deemed to involve SKK as principal.

Conflicts Relating to SKK Private Funds and SKK Party Investment Alongside Clients and Investors

SKK and PCM will provide appropriate clients with information and/or advice about investments in one or more of SKK's private fund offerings or other investment opportunities. Because of the potential conflicts of interest arising from such investments, it is incumbent upon such clients to independently evaluate such investments if they wish to pursue them. No such investment information or advice will be provided to institutional clients subject to ERISA.

Where SKK, SK, PCM and their members, management board members, officers, employees and affiliates (collectively called "SKK Parties") invest in private companies or funds alongside clients, or participate in management or governance, or receive compensation, including securities, for services from such companies or funds, conflicts of interest arise, including where:

- A client's investment in a private fund or company introduced by an SKK Party increases the value of an investment held by an SKK Party;
- A client's investment in a private fund or company in which an SKK Party has also invested provides liquidity to, or otherwise benefits, the private fund or company concerned;
- An SKK Party who has invested alongside a client has access to more information about the investment than the client and sells its position or buys more securities on the basis of that information;
- An SKK Party holds a different investment position in the company's or fund's capital structure than a client which creates different incentives to vote or take other actions affecting the client's investment;
- An SKK Party's investment involves certain voting rights or confers other powers to influence or participate in the governance of the investee company or fund which differ from those of a client investor. Those rights and powers can result from serving as a director or officer of an investee company or fund, in which case the member or employee would be obligated to serve the interests of the company or fund, rather than the interests of any advisory client who has invested in that company or fund; or
- An SKK Party is compensated for serving on the board or as an officer of a company or fund in which SKK Party advisory clients have invested or serves in a consulting or advisory capacity. The receipt of such compensation, or the manner in which compensation arrangements are structured, create incentives for such an SKK Party to act in a manner that does not prioritize the interests of advisory clients that are invested in the company or fund.

Outside Business Interests

To the extent that any SKK Party is involved in other businesses or occupations, potential conflicts of interest can arise with respect to the management of assets for investment advisory clients and investors in SKK-sponsored funds. For example, if an SKK employee is a director, officer or equivalent of a publicly traded company, or of a privately held operating company recommended to, and held in the portfolio of, a client, the employee is exposed to non-public, material information about the outside company or other companies which negatively affects the employee's trading flexibility in managing client assets. Also, the employee receives compensation, including securities, from such company, which creates a bias in favor of the company. Conflicts of interest could arise because the employee could cause accounts managed by the employee to invest in a manner that favors his business interests. Accounts managed by the employee might acquire interests in businesses that are significant existing or potential customers or suppliers to an outside business of the employee. The accounts managed by the employee might seek to acquire assets that the other business also seeks to acquire.

Other Conflicts

Many conflicts of interest arise between and among the various entities and persons involved in the investment advisory services provided by SKK Parties, including clients, investors in the SKK Funds, private funds or companies that issue securities acquired or sold by clients or the SKK Funds, brokers who trade securities on behalf of clients or the SKK Funds, third parties such as custodians and administrators who provide services to the SKK Parties or the SKK Funds, and other persons or entities in the financial industry. Without limitation for example, SKK Parties, clients, and SKK Funds have invested in an unrelated company, mutual find or private investment fund and an employee of such unrelated company, mutual find or private investment fund is a client of SKK or investor in an SKK Fund. SKK has recommended that clients invest in an unrelated private fund that (i) has directly or indirectly extended credit to or invested in a company in which SKK Parties have invested and (ii) through an affiliate of the fund, invested in SKK Funds or joint ventured with SKK in other projects. SKK Parties have received services from companies whose securities have been introduced to clients. These examples are only indicative in general of the kinds of potential conflicts that exist. With the various interrelationships among the SKK Parties, clients, investors in the SKK Funds, companies in which investments are made, and third party service providers on the one hand, and the changing nature of the relationships and circumstances on the other hand, further conflict scenarios will likely arise.

Conflict Mitigation

SKK, SK and PCM will take steps that they reasonably believe will mitigate any material conflicts noted above that might arise. SKK and SK believe that potential conflicts are mitigated by their investment process, and they will provide disclosures to clients and investors regarding conflicts and potential conflicts as necessary, in addition to disclosures contained in this brochure. Additionally, executive management and compliance personnel meet regularly to address conflicts and other compliance issues, which facilitates the identification, analysis, and remediation of perceived and potential conflicts. Any material conflicts of interest that arise are discussed and resolved on a case by case basis by senior personnel of SKK, SK and PCM.

Accounts Managed By Rice

Daniel Rice, Portfolio Manager, has a potential conflict of interest in managing accounts for SKK that utilize the Energy strategies in whole or part. Mr. Rice has a personal beneficial interest of less than one-half of one percent (0.5%) of the common stock of EQT Corporation ("EQT"), which is a publicly traded, integrated energy company. Also, Mr. Rice's family has other direct and indirect holdings in the stock of EQT and other family members are on the Board of EQT. In the aggregate, Mr. Rice and his family's holdings comprise less than 3% of EQT's outstanding stock. Mr. Rice disclaims any beneficial interest in EQT other than his own personal interest. Conflicts of interest could arise because Mr. Rice could cause accounts managed by SKK to invest in a manner that favors his interest or the interests of himself or the trust. The accounts managed by Mr. Rice reserve the flexibility, from time to time, to acquire interests in businesses that directly or indirectly compete with EQT or its affiliates, as well as businesses that are significant existing or potential customers of EQT or its affiliates. The accounts managed by Mr. Rice reserve the flexibility also to acquire assets that EQT or its affiliates seek to acquire. Mr. Rice and the Investment Manager take steps that they reasonably believe mitigate any conflicts that arise as a result of the EQT holdings of Mr. Rice and the trust.

Item 12: Brokerage Practices

The following discussion of brokerage practices relates primarily to SKK. Because of operational differences in the brokerage practices of SKK and SK, please refer to the Form ADV Part 2A for SK for a discussion of SK's brokerage practices.

I. Research and Other Soft Dollar Benefits

SKK is authorized to determine the broker or dealer to be used for each securities transaction for the accounts under its discretionary management unless otherwise arranged with the client. SKK's policy is to seek the best overall execution of purchase or sale orders and the most favorable net prices in securities transactions, while giving due consideration to all the relevant circumstances that affect the trade, as more fully described below. In selecting brokers or dealers, SKK considers and gives weight as it deems appropriate to the integrity and financial responsibility of the broker or dealer, the execution capabilities and responsiveness of the broker or dealer, the market where the transaction is to be completed, and whether the transaction is a principal or agency trade. In addition, consideration is given to the specialized expertise that a broker or dealer has with a type of security (*e.g.*, options, high yield bonds, or non-U.S. securities), the manner in which the broker or dealer may handle a less liquid security, and the market information available to the broker or dealer. SKK also considers the competitiveness of the commission rates in agency trades, or the net prices in principal trades, as well as the difficulty of the execution or security positioning in light of prevailing market conditions. The quality of the broker's or dealer's back office clearance and settlement systems, and the compatibility of their systems with the systems of SKK, are similarly important.

Some brokers or dealers provide additional brokerage and research services which supplement their execution services. In selecting a broker or dealer for a trade, SKK may give weight to such supplemental services that have been provided in the past or may be provided in the future. However, SKK will not give any weight to supplemental services provided by a broker or dealer in connection with trades on behalf of its wealth management clients, including retirement plans and other clients subject to ERISA. Such other research services may include, but are not limited to, research reports; software providing analysis of securities portfolios; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including company financial data); and advice from brokers on order execution. Such other brokerage services may include, but are not limited to, services and software related to the execution and settlement of securities transactions (e.g. connectivity services between an investment manager, a broker-dealer, and custodians, among others); trading software operated by a broker-dealer to route orders; and software that provides trade analytics. Brokerage and research services can include both proprietary services created or developed by the broker-dealer and third-party services created or developed by an unrelated source.

Some brokerage and research services may benefit SKK's clients as a whole, while others may benefit only specific accounts or a limited number of accounts. In general, most services will benefit multiple accounts. Commissions generated by a given account may or may not be related to services directly benefiting it. SKK does not seek to allocate benefits to client accounts proportionately to the brokerage credits the accounts generate.

SKK has no binding contracts with any broker or dealer as to the amount of business which the broker or dealer will receive for brokerage or research services supplied to SKK. To the extent that commissions and/or fees are paid which are higher than commissions and/or fees in the industry for the same transaction in like circumstances, and to the extent such commissions and/or fees are for, or construed to be for, brokerage and research services which are over and above the trade execution services provided, SKK believes that such commissions and/or fees are not unreasonable and are permissible under Section 28(e) of the Securities Exchange Act of 1934, when viewed in terms of SKK's overall responsibilities with respect to the accounts managed. In the case of the purchase of fixed income securities in underwriting transactions, SKK may similarly place orders with brokers or dealers which have provided SKK with brokerage and research services. The commissions and fees include markups, markdowns, commission equivalents and any other fees or transaction costs paid to a broker or dealer in connection with the execution of an agency or principal trade, as allowed under the authority or regulatory guidance in this area.

When SKK uses client brokerage commissions (or markups or markdowns) to obtain brokerage or research services, SKK receives a benefit because SKK does not have to pay for the brokerage and research services. SKK may have an incentive to select a broker-dealer based on SKK's interest in receiving the brokerage or research services, rather than on the client's interest in receiving most favorable execution. During the last fiscal year, SKK acquired brokerage and research services relating to the investment potential of particular securities across a spectrum of industries including energy, and market valuation and sentiment, and the securities markets generally. The placement of transactions for client accounts with a particular broker-dealer can be very subjective based on a consideration of many factors as described above.

II. Brokerage for Client Referrals

Not applicable

III. Directed Brokerage

In the event that a client of SKK requests that orders for the client's account be directed to specific brokers or dealers, SKK will attempt to abide by the request to the extent practical under the circumstances. A client who requests the use of a particular broker or dealer may, however, lose the possible benefits (more favorable price or lower commission or other transaction costs), that other clients derive from the bundling of orders for multiple accounts. Also, the execution of orders for clients that have designated particular brokers may occur after other orders have been consummated.

IV. Aggregation of Orders and Allocation

When SKK plans to buy or sell the same security for multiple accounts at approximately the same time, SKK may group orders of various accounts in an effort to realize a better overall price or commission. While a large transaction may affect the price of shares acquired or sold, SKK believes that the bunching of orders generally provides an advantage in execution. Where an aggregate order is placed with a given broker who fills the order through a series of smaller transactions at various prices throughout a given day, each transaction is allocated among the same participating accounts generally in proportion to the relative assets of the participating account or to facilitate balancing among accounts. Where orders for a given security may be executed throughout the day for varying participating accounts, the orders may not be aggregated because of timing between orders, price limits set for different accounts, or other differentiating circumstances SKK may decide not to group orders, however, where aggregation might result in higher custodial and other transactional costs for a participating account.

An aggregated order is processed in a manner that is deemed fair and equitable to all accounts. In allocating investments among various accounts, including investments in securities issued in initial public offerings, SKK will take into account such factors as the investment objectives of the accounts, the specialized nature of the account, the amount of investment funds available in each account, the size of the order, the relative sizes of the accounts, and the risks of the investment.

For accounts with similar investment objectives and strategies and the same portfolio manager, SKK will, under normal circumstances, allocate a security among accounts as a percent of each account's assets. Proportionate allocations may not be made where accounts or portfolio managers are different however. For example, a small, specialized account, such as a new fund which primarily invests in a given sector, may receive a relatively larger allocation of a sector stock than other accounts. At other times too, SKK may not be able to allocate trades in a security proportionally across accounts. Options might be exercised in the marketplace, for instance, and the exercises can, in accordance with established procedures in the industry, be assigned in a random manner to persons who hold written positions, which can impact SKK's accounts in a disproportionate way. Sometimes, allocations are made on the basis of administrative efficiency, to avoid odd lots or to provide for a minimum lot of 100 shares, among other things. Allocations may also be made to balance the relative amount of a security held in an account to help meet weighting parameters.

V. Other

SKK retains broad flexibility in the manner in which broker trading errors are handled, depending on materiality and the particular facts and circumstances involved. In the event of a broker trading error, a broker may address the error by adjusting its commissions. SKK may also defer and aggregate adjustments for a year-end posting to accounts when it is administratively more efficient to do so. SKK may, among other things, utilize a proprietary account to segregate the effects of a particular transaction.

Item 13: Review of Accounts

Accounts managed and/or advised solely by SKK are reviewed by one or more portfolio managers. The portfolio managers utilize a number of reports on the portfolio holdings of client accounts which are generated regularly or are otherwise available on SKK's information systems. The account review process is continuous, and these reports are reviewed on an ongoing basis, often daily, by one or more of the portfolio managers. Differing reports provide security by security performance tracking, show net positions in individual securities that are long and short, and give similar data on other micro and macro aspects of the portfolios and their performance. The review and analysis of the various reports are an integral part of SKK's investment decision making process.

In addition to the continuous review of various reports, for many clients an investment report is produced monthly for a managed private investment fund and for investors in the fund. This report includes information on a number of diverse account characteristics. The report indicates how the portfolio is allocated among long and short positions in different industry sectors, how the account has performed against broad indicators, and how the account has performed since the account's inception. The monthly report is available in hard copy or by email to investors in the funds.

SKK's Fund Administrator produces for SKK-sponsored real estate and venture capital funds quarterly balance sheet and income statement reports. Investors in such funds receive quarterly capital account statements that reflect their starting balance, any account activity during a given period, and their ending balance.

Reports are also available for the other institutional separate accounts. These reports are produced on a customized basis monthly or quarterly as may be requested and contain whatever data is relevant to a particular separate account.

In an effort to protect the confidentiality of portfolio positions, SKK generally will not disclose all positions in a portfolio. However, SKK, in its sole discretion, may permit such disclosure to certain investors in the private investment funds that SKK manages, and to prospective investors and consultants, on a selective basis, if SKK determines that such disclosure is appropriate. Further, a private investment fund may not disclose its investment positions in its annual financial statements, if it determines that such confidential treatment is desirable.

See SK's form ADV Part 2A for information on the review of accounts sub-advised by SK.

Item 14: Client Referrals and Other Compensation

SKK has employees who are involved in marketing SKK's services and products to prospective and existing clients or investors. These employees also have other responsibilities and functions with SKK in the investment, administrative, marketing and/or operational areas of the business and may engage in the solicitation of clients or investors to varying extents. SKK's employees, related investment advisers and outside service providers provide input and services relating to the business of SKK with respect, but not limited, to broad planning for the development of the business of SKK, product development, communications, domestic and international investor needs, investor demographics, marketing, investor relations, further outside service needs, and related matters.

SKK from time to time utilizes the services of a related investment adviser and broker dealer, and outside service providers to solicit or refer clients, or investors who may be interested in investing in the private investment funds managed by SKK. Outside service providers, such as finders and broker dealers, may receive compensation which is a flat fee, a percentage commission, or a percentage of the amount of management fees, and incentive allocation, paid on assets that the person was primarily responsible for placing under the management of SKK in separately managed accounts or in private investment funds.

As noted above in Item 5 (II)(D) Other Fee Information, the general partner or manager of a private investment fund sponsored by SKK may deduct a percentage of the amount invested by an investor in the private investment fund to pay sales fees or charges, on a fully disclosed basis, to a broker-dealer, placement agent or other person based upon the capital contribution of such investor introduced to the private investment fund by such broker-dealer, placement agent, or other outside service provider. Any such sales fees or charges would (i) be assessed against the referred investor, (ii) not be a capital contribution of the investor, and (iii) reduce the amount actually invested by such investor in the private investment fund. Such assumption of expenses by investors benefits SKK by increasing assets under SKK management.

The compensation paid to employees, a related investment adviser or broker dealer. or outside service providers, to the extent any part of it may be deemed to be for the solicitation or referral of clients, is intended to be in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940.

Item 15: Custody

Pursuant to Rule 206(4)-2 SK is deemed to have custody of client assets for certain accounts. SK uses qualified institutional custodians to hold client funds, who will provide account statements directly to account holders no less frequently than quarterly. Clients should carefully review those account statements and are urged to compare them to reports provided by SK.

SKK also has a form of custody of funds and securities of clients where an entity that has legal ownership or authority over that client's funds or securities is a related person of SKK, including the general partners of private funds sponsored and advised by SKK.

SKK may be deemed to have custody of certificates for certain privately offered securities held in the portfolio of SKK Ventures, LLC, although SKK is not required to maintain them in an account with a qualified custodian. SKK has adopted procedures to safeguard all certificates in its custody for SKK Ventures, LLC. SKK maintains such certificates in accordance with relevant regulatory provisions to the extent applicable. Clients that receive account statements from a broker-dealer, bank or other qualified custodian should carefully review those statements, and compare them to any account statements they receive from SKK and SK.

Item 16: Investment Discretion

SKK manages client accounts pursuant to discretionary or non-discretionary authority granted to SKK under an investment management agreement. Clients may place limits on such authority. (Generally, see the discussion under Item 4, Advisory Business, relating to the investment discretion that SKK exercises in managing securities accounts on behalf of clients.)

Item 17: Voting Client Securities

The following discussion of proxy voting practices relates primarily to SKK. SK does not vote proxies.

SKK may be authorized by its clients to vote proxies relating to the companies whose securities are held in the portfolios of the accounts managed by directly SKK. SKK does not vote proxies on behalf of wealth management clients.

Where applicable, SKK manages assets solely in the best interest of the clients and votes proxies in a manner which is consistent with those interests, and which will add to, or maintain, the value to the clients' investments. Clients, however, can assume direct responsibility for voting the securities in their own portfolios if desired.

Occasions may arise where the voting of specific proxies may present an actual or perceived conflict of interest between SKK, as the investment manager, and its institutional clients. Hypothetically, potential conflict situations could arise where SKK provides advisory services to a client, such as a private investment fund, and an investor in the private investment fund is a company, or a person associated with a company, that is soliciting a proxy. Similarly, SKK may provide advisory services to a separately managed account for a pension plan of a public company, and securities issued by the public company may be held in other accounts managed by SKK. In addition, a Managing Member or other investment personnel could have a personal or material business relationship with the participants in a proxy contest, or with the directors of, or candidates for, a company board.

While there may be potential appearances of conflicts of interest that could conceivably arise, SKK seeks to avoid even the appearance of impropriety and believes that it is unlikely that any actual, material conflicts will in fact arise. SKK's investment personnel must advise the Chief Compliance Officer or legal staff, if they are aware of any actual or potential conflicts of interest that may exist with regard to how proxies are to be voted in respect of any portfolio companies. No weight will be given to any relationships with companies or relationships with persons soliciting proxies, and SKK will vote proxies solely on the basis of the best interests of the relevant client account. Any individual at SKK with a potential conflict may not participate in any aspect of SKK's decision making in determining how the subject proxy is voted.

As described below, SKK currently uses an independent proxy voting service to provide research, voting recommendations and related services. The service providers perform similar services for many other financial institutions in addition to SKK. In doing their analysis and formulating its recommendations, the service providers act without regard or likely knowledge of any specific conflicts that may exist between an issuer and SKK. Such use of an independent service and reliance on its separate research provides further insulation from, and protection against, any conflicts that an issuer and SKK may have.

SKK does not have any fixed policies on how to vote on given proxy proposals. SKK believes that each proposal must be considered in light of the company's particular context. Each proxy proposal is subject to evaluation individually, based on a consideration of the facts and circumstances that bear on the proposal at the time. SKK may also refrain from voting a proxy if that would be in the best interests of the client account. For example, SKK may determine that any benefit the client might gain from voting a proxy would be outweighed by the direct or indirect administrative burdens of casting the vote. The benefit may be elusive because of, for example, the relative amount of out-of-pocket expense or staff time required to research and evaluate the proposal properly. Similarly, SKK may decline to vote a proxy because of the investment impact of a proxy regulation, where, for example, SKK might be unable to sell certain foreign securities because an applicable foreign requirement would require that the securities be placed in escrow during the balloting period. Where appropriate, SKK may also abstain on a proposal because of the ambiguity of the effect of the proposal.

SKK may delegate authority to an independent proxy voting agent to perform various proxy voting functions. Such a voting agent would be responsible for casting ballots based SKK's instructions with respect to the portfolio securities in the accounts managed by SKK. In determining how to vote particular proxies, SKK obtains research and voting recommendations from outside service providers, which can include the voting agent and/or a separate firm. Voting recommendations are based on an analysis of an array of detailed company information, industry data, the company's performance, and other considerations of relevance given the particular proposal. The analytical approach may be modified as appropriate in light of changes in the business environment over time.

In most instances, votes will be cast in accordance with the service provider's recommendations. However, SKK may instruct the service provider to vote contrary to, or otherwise differently from, the service provider's recommendation. In addition to casting ballots, and providing research and recommendations, the service providers also perform related record keeping and administrative functions.

SKK's proxy voting policies may be amended from time to time without prior notice to clients. SKK feels that it must retain wide flexibility to adapt its proxy voting policies as appropriate to best fit the interests of its client accounts and the changing investment environment.

A client with an investment management agreement with SKK may obtain a copy of SKK's Proxy Voting Policies and/or information on how SKK voted such client's portfolio securities by contacting SKK.

Item 18: Financial Information

In the first quarter of 2020, the unprecedented events surrounding the world-wide COVID-19 pandemic resulted in significant market dislocations and global financial losses across all equity and fixed income securities markets. In order to stabilize businesses across the US, the federal government implemented a financial stimulus plan which included the provision of Payroll Protection Plan ('PPP') loans to businesses in an effort to provide some financial support during this period of economic uncertainty. In addition to the near-term threat to revenue posed by the prospect of continued market volatility, SKK and SK (all of whose revenue is derived from SKK) wanted to prepare for the economic dislocations and possible medium-term challenges presented by COVID-19 related to revenue and access to credit. SKK opted to accept a PPP loan in the amount of $950,500. The PPP loan is intended to provide financial support that will help ensure that SKK and SK will be able to retain current staff, including advisory personnel, and maintain operations throughout this challenging period. SKK believes that it has the financial resources to perform its obligations to its clients.

Item 19: Requirements for State-Registered Advisers

Not applicable