



**PEAK 8 ASSET MANAGEMENT LLC**  
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**Form ADV, Part 2A**  
**March 30, 2020**

**Peak 8 Asset Management, LLC is an investment adviser that is registered with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC does not imply a certain level of skill or training.**

**This Brochure provides information about the qualifications and business practices of Peak 8 Asset Management LLC ("Peak 8," the "Adviser," "we," "us," or "our"). If you have any questions about the contents of this brochure, please contact us at (212) 588-2073. 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 Peak 8 also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ITEM 2. MATERIAL CHANGES**

Item 2 of Form ADV Part 2A (the “**Firm Brochure**”) requires us to notify you of any material changes since our last annual update to our Firm Brochure. There have been no material changes to our Firm Brochure since the last annual update to our Firm Brochure.

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#### ITEM 4. ADVISORY BUSINESS

Peak 8 is a Delaware limited liability company that formed in November 2016.

The principal owners of Peak 8 are Woody L. Hunt and WGH Dynasty Trust, via their direct and indirect ownership of the following entities:

- Woody L. Hunt owns 40.0719%, and WGH Dynasty Trust owns 37.6819%, of Hunt Companies, Inc., a corporation organized and existing under the laws of the State of Delaware (“**HCI**”);
- HCI owns 100% of Hunt Company, LLC, a limited liability company organized and existing under the laws of the State of Nevada (“**Hunt Co.**”);
- Hunt Co. owns 100% of Hunt FS Holdings, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“**HFSH**”);
- HFSH owns 78.73% of Hunt Capital Holdings, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“**HCH**”);
- HCH owns 100% of Hunt FS Holdings II, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“**HFSHII**”);
- HFSHII owns 100% of Hunt Financial Securities, LLC, a limited liability company organized and existing under the laws of the State of Delaware and a FINRA member firm (“**HFS**”);
- HFS owns 100% of Hunt IM Holdings, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“**HIMH**”); and
- HIMH owns 100% of Peak 8.

Peak 8 provides, discretionary investment management services and non-discretionary advisory services to institutional investors such as insurance and reinsurance companies, banks, large asset managers, pension funds, endowments, and family offices. Peak 8 focuses on advice relating to alternative fixed income investments, such as asset-based investments, interests in pools of consumer and commercial performing and non-performing loans, privately negotiated debt securities and other financial instruments, as well as certain multi-family affordable housing real estate investments. Under certain circumstances, Peak 8 will provide investment management and advisory services relating to equity investments, collective investment fund investments, and derivatives. These services are described in more detail in Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss,” below.

Peak 8 offers investment management (discretionary) services to clients with separately managed accounts (“**Managed Accounts**”). Each Managed Account is established by a client depositing funds or securities into an account maintained at a bank or broker-dealer and granting

Peak 8 discretionary authority to invest such funds pursuant to the client's investment needs, objectives, and restrictions as stated in the client's management agreement, investment objectives and other account documentation with Peak 8. Peak 8 offers investment advisory (non-discretionary) services to clients with respect to specific securities or pools of specific securities.

Peak 8 tailors its investment management and advisory services in accordance with each Client's investment strategy (as disclosed or set forth in its organizational documents, management agreements, or Managed Account agreement). Peak 8 and our clients primarily target alternative fixed income investments. In addition, certain personnel of the Adviser work with our clients to formulate investment strategies and render specialized investment advice. Peak 8's advisors adhere to the investment strategy and restrictions set forth in each Client's organizational documents and management agreements and Managed Account agreements.

Peak 8 does not participate in any wrap fee programs.

As of December 31, 2019, Peak 8 was not managing assets for any account on a discretionary basis but managed approximately \$179,707,076 on a non-discretionary basis.

## **ITEM 5. FEES AND COMPENSATION**

### **(a) *Compensation for Investment Management and Advisory Services***

The description below of Peak 8's fees and compensation is intended to provide a brief summary of the more typical fee structures, and it is not intended to depict every fee or compensation arrangement.

Peak 8's investment management and advisory fee annual rates for Managed Accounts and non-managed accounts in any investment strategy typically range from 0.50 percent to 1.00 percent on an annualized basis of the account's total value. Certain accounts may pay fixed management fees or performance-based fees based on terms reflected in the investment management agreement. In the case of certain accounts, in lieu of charging the regular asset-based fee, Peak 8 has the potential to earn performance-based fees, typically in reference to a relevant benchmark index or hurdle rate.

Fee rates (including performance-based fee rates) and the basis of their calculations are negotiated between Peak 8 and the client and take into consideration the scope of management or advisory activities involved, the size of the account, the complexity of the assets managed or advised, and the client's particular investment objectives and needs.

### **(b) *Payment of Compensation***

Clients are generally billed directly for investment management and advisory fees as well as for any performance-based compensation. From time to time, Peak 8 and a client with a Managed

Account may agree that Peak 8 may withdraw its fees directly from the Managed Account Fees are typically billed quarterly or monthly in arrears. Performance-based compensation, if any, is typically determined quarterly or annually and payable quarterly or annually in arrears.

(c) *Other Types of Fees or Expenses*

Subject to any given account's governing documents, a client may also bear all out-of-pocket costs, fees, expenses, and liabilities that are incurred by, or arise out of, the operation and activities of, or otherwise are related to, such account, including those incurred by Peak 8 on behalf of or are allocable to such account. Please refer to the terms of an account's governing documents for a more detailed description of the expenses to be borne by a particular client.

Except as otherwise disclosed in this Item 5, our clients typically pay fees quarterly or monthly in arrears, though from time to time and as negotiated, Peak 8 may receive payment in advance. Accordingly, we typically do not need to provide fee refunds to investors before the end of a billing period because they will not typically pay a fee in excess of what they owe. However, in the event of a billing error, we would expect to provide fee refunds to the Client.

Please also see Item 12, "Brokerage Practices," below for further information relating to fees and expenses that may affect a client's assets that are managed or advised by Peak 8.

**ITEM 6. PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Peak 8 manages accounts that pay a performance-based fee (and an asset-based fee) and accounts that are only charged an asset-based fee. These accounts may be managed in a manner similar to accounts that pay only an asset-based fee.

We face a potential conflict of interest in that we may have an incentive to recommend investments to accounts that pay a performance-based fee, and to recommend to such accounts investments that may be riskier, more speculative, or potentially more profitable to us than those which would be recommended under a different fee arrangement. We manage such potential conflicts of interest by following each client's investment guidelines, strategy, and focus set forth its investment advisory agreement. In addition, Peak 8 has allocation guidelines, subject to certain investment considerations, to handle potential conflicts in relation to investment overlaps among all accounts, including those with different fee structures.

Peak 8 attempts to manage potential conflicts of interest in good faith. Subject to the provisions of the investment guidelines of the affected clients, Peak 8 will be guided by its fiduciary duties to its clients on any matter involving a conflict of interest. See Item 12, "Brokerage Practices," below for a further discussion of Peak 8's allocation guidelines.

## **ITEM 7. TYPES OF CLIENTS**

Peak 8 provides investment management and advisory services on behalf of accounts of institutional investors, such as insurance and reinsurance companies, banks, large asset managers, pension funds, endowments, and family offices.

Peak 8 generally requires a minimum dollar value of \$100 million to establish a managed account. It may, at any time, waive such minimum in its sole discretion and accept a lesser amount.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### *(a) Methods of Analysis and Investment Strategies*

For its clients, Peak 8 focuses on alternative fixed-income investments that are asset backed or based. Investments may also include equity investments, derivative instruments, and investments in other types of assets. Typically, these assets will be either illiquid in nature or exposed to market distress at the time of purchase. For its clients, Peak 8 will generally target medium- to long-term investment strategies that generate investment income rather than short-term trading strategies seeking capital gains.

Peak 8 intends to provide fundamental investment analysis and recommendations to its clients. The type and level of analysis will vary by investment but may include: deal and cash flow modeling, internal research, review of external research, and engagement of external consultants and advisers.

### *(b) Risk of Loss*

Investing generally involves a risk of loss, and each strategy Peak 8 employs entails substantial inherent risks. Although Peak 8 attempts to manage these risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased for a Managed Account or otherwise recommended will increase in value or will not incur significant losses.

The following discusses certain material risks for each significant investment strategy or method of analysis Peak 8 uses.

Operational Risks of Peak 8. Peak 8 has a limited operating history having been formed in November 2016. As a result, there is a heightened risk to clients that Peak 8 may cease operations and be unable to fulfill its contractual obligations. Clients may also rely on the advice and services of certain key employees, and there is no certainty that those employees will remain affiliated with the firm.

Credit Risk. Most investments recommended by Peak 8 are fixed income investments subject to the default risk of investment counterparties, cash flows that are inadequate to make timely debt

service payments, and recoveries on defaulted assets that are lower than the amounts owed to investors. Default rates and bankruptcies may increase during times of economic turmoil, such as the economic crisis created by the COVID-19 pandemic.

Limited Liquidity. Peak 8 recommends investments that are illiquid in nature. Clients may find it difficult to sell positions or may have to sell at prices below the levels that clients consider to be fair value. Investments recommended by Peak 8 typically do not have a liquid market and there may be restrictions on transferring certain investments.

Due Diligence. Our due diligence of investment opportunities may not identify all pertinent risks, which could materially affect the performance of client assets and Managed Accounts.

Valuation and Client Reports. Most Client investments will not be in readily marketable assets for which prices are available from third parties. Where applicable, or required by the terms of a client account, we may report investments at estimated market value, unpaid principal balance, or amortized cost basis, as determined in good faith by Peak 8. We may also report forecasted cash flows for Investments, as determined in good faith by Peak 8. There can be no assurance that the value assigned to, or cash flows forecasted for, an investment at a certain time will equal the value or cash flows that the Client is ultimately able to realize.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing, and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally is subject to market conditions. We and our clients compete for investments with private equity investors, as well as companies, public equity markets, individuals, financial institutions and other investors. It is possible that competition for appropriate investment opportunities will increase and reduce the number of investment opportunities available to our clients and adversely affect the terms upon which investments can be made. There is no assurance that we will be able to locate and consummate investments that satisfy our clients' rate of return objectives or realize upon their values.

Concentration Risk. Peak 8 generally does not advise clients on building diverse portfolios. Positions recommended by Peak 8 may be large and it is likely that portfolios of investments recommended by Peak 8 have significant concentrations of risk.

Macroeconomic Risk. Many investments recommended by Peak 8 are sensitive to macroeconomic risks in addition to risks specific to the investments. Negative economic conditions may result in financial distress resulting in lower than expected cash flows and declines in asset values.

Interest Rate Risk. Many of the asset classes recommended by Peak 8 are backed by loans and other debt instruments. This, the value of investments may be impacted by changes in interest rates. It is also possible that changes in interest rates may impact the ability of obligors to make debt service payments on investments.



Currency Exchange Rate Risk. Certain investments may be denominated in foreign currencies impacting the U.S. dollar valuations of the assets. Investments may also be impacted by foreign currency changes to the extent that there is a mismatch between the currency denominations of cash inflows and outflows required to make debt service payments.

General Economic and Market Risk. The value of investments may be impacted by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, national and international political circumstances, and more recently in 2020, a pandemic (i.e. coronavirus). These factors can affect the level and volatility of the prices of securities, commodities, or other financial instruments and the liquidity of investments. Volatility or illiquidity could impair profitability, or result in losses. Clients may realize losses if they sell investments at times of market distress.

Legal, Tax and Regulatory Risk. Clients may encounter difficulty enforcing their rights under various investments resulting in litigation. Such litigation may result in significant expenses and the outcome of any litigation will not be certain. The tax position of investments also involves uncertainty and clients may be negatively impacted by changes in tax laws or the interpretation of such laws. Some investment may be adversely impacted by changes in regulation or actions of regulatory bodies having jurisdiction over aspects of the investments.

Cyber Security Risk. As the use of technologies, such as the internet, has become more common in conducting business, our clients may be more susceptible to operational, information security, and related risks in connection with breaches in cyber security. Generally, a cyber security failure may result from either intentional attacks or unintentional events and include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, causing a client to lose proprietary information, corrupting data, or causing operational disruption, including denial of-service attacks on websites. A cyber security failure could cause a client or the Adviser to become subject to regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, or financial losses. The systems utilized by Peak 8 or its vendors or service providers may also be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors, power outages and catastrophic events. Bad actors are likely to be more active and creative when there is a higher level of remote activity and many people are learning how to work remotely, such as in states with “shelter in place” orders due to coronavirus. The failure of these systems or of the business continuity and disaster recovery plans for any reason could cause significant interruptions in the operations of Peak 8 and could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors and clients.

## **ITEM 9. DISCIPLINARY INFORMATION**

No items to disclose.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As previously stated in Item 4, “Advisory Business,” Peak 8 is an indirect subsidiary of HCI, a privately-held company that invests in businesses focused in the real estate and infrastructure markets through its affiliates, including Hunt Investment Management, LLC, an SEC registered investment adviser. The activities of HCI’s affiliates and investees include investment management, mortgage banking, direct lending, loan servicing, asset management, property management, development, construction, consulting and advisory. At this time there are no relationships or arrangements between Peak 8 and affiliates of HCI that are material to Peak 8’s investment advisory business or to its clients. Additional information about Hunt Investment Management, LLC and its affiliated entities is available via the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Peak 8 Analytics LLC (“**Peak 8 Analytics**”), a wholly owned subsidiary of Peak 8, provides consulting services (other than investment management and advisory services) to institutional investors and investment management and investment advisory services to privately offered collective investment funds. Peak 8 Analytics has filed as an exempt reporting adviser with the SEC and the Connecticut Department of Banking.

Peak 8 and Peak 8 Analytics share office space and other infrastructure. In addition, all employees of Peak 8 Analytics also are employees of Peak 8. In performing its investment management activities, Peak 8 allocates its personnel and its personnel’s time among each Peak 8 client account and client account of Peak 8 Analytics. Peak 8 will devote such time as it deems necessary to conduct agreed-upon activities in an appropriate manner. Conflicts, however, may arise in the allocation of personnel and their time among Peak 8 accounts as well as among Peak 8 and Peak 8 Analytics accounts, particularly in connection with accounts that may involve substantially more time and resources than other accounts.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **(a) *Code of Ethics and Personal Trading***

All Peak 8 principals, partners, officers and employees (including certain temporary employees, senior advisors and consultants) and those of its affiliates are subject to Peak 8’s Code of Ethics (the “Code of Ethics”). The Code of Ethics outlines Peak 8’s policies and procedures regarding standards of conduct, personal investment transactions, handling of material, non-public

information, and other matters. In addition, the Code of Ethics provides for sanctions in the event of violations of the stated policies and procedures.

The Code of Ethics contains several restrictions and procedures designed to eliminate conflicts of interest surrounding personal investment transactions of Peak 8 personnel and their related persons. Among other things, an employee covered by the Code of Ethics may not trade certain types of securities without the express written approval of Peak 8's chief compliance officer, the approved transaction is completed by the close of business on the second trading day after the approval is received, and the chief compliance officer has not rescinded such approval prior to the completion of the transaction.

Notwithstanding the foregoing, and given the nature of Peak 8's business, including the fact that it only recommends to its clients the purchase and sale of securities that are available only to large institutional investors, employees may trade without pre-approval from the chief compliance officer any publicly traded security listed on the New York Stock Exchange or quoted on the NASDAQ NMS, or shares of any exchange-traded fund (ETF), other than securities which the chief compliance officer has notified all personnel that transactions in those securities are restricted (because the firm has inside information relating to those securities or otherwise).

Monitoring of employee personal securities transactions is handled by the chief compliance officer and any required and related records are maintained by the chief compliance officer.

#### 1. Proprietary Accounts

Without the prior written approval of the chief compliance officer, no Peak 8 employee may execute a transaction in a security for an account in which Peak 8 or its personnel has an interest if the employee is aware or should be aware that an order for a client account for the same security, same way, remains unexecuted or Peak 8 is considering same-way trades in the security for client accounts. Transactions in options, derivatives, or convertible instruments for such a proprietary account that are related to a transaction in an underlying security for a client account (inter-market front running) are subject to the same restrictions.

#### 2. Principal Transactions

Neither the firm nor any employee may engage in principal transactions with a client account without first obtaining the prior written approval of the chief compliance officer and the written consent of the client to the account.

#### 3. Limited Private Offerings and IPOs

Purchases of securities by our access persons offered in (A) limited or private offerings or (B) initial public offerings require pre-approval from the chief compliance officer prior to proceeding with a transaction.

(b) *Insider Trading*

Peak 8 employees may not trade a security while in the possession of material, non-public information about the security or the issuer of the security (collectively, “**inside information**”). Additionally, Peak 8 employees may not disseminate or tip inside information to others who may trade the security. Material information includes any information that a reasonable investor would consider in making an investment decision. Non-public information is information that has not been disseminated in a manner that would make it generally available to investors.

The nature of Peak 8’s business and the types of investments Peak 8 recommends to its clients generally makes it likely that an employee would receive inside information in connection with his or her responsibilities. Peak 8 maintains a restricted list of those issuers for which it has material non-public information. The chief compliance officer notifies all employees if a security or an issuer has been added to or deleted from the restricted list, including when the chief compliance officer knows that an employee has inside information relating to any issuer. In addition, any employee who has reason to believe that he or she is in possession of “inside information” concerning an issuer of securities is required to contact the chief compliance officer. No employee may trade any security of such issuer for himself or any other person, including any client, without the express written consent of the chief compliance officer.

(c) *Other Policies Relating to Personal Conduct*

Additional provisions of the Code of Ethics outline, among other things, Peak 8’s policies governing gifts, meals, entertainment, and political activity; employee activities outside their employment with Peak 8; and the maintenance of confidentiality of certain information.

(d) *Participation or Interests in Client Transactions*

Peak 8 and its affiliates may not purchase or sell securities of entities for itself that it also recommends for purchase or sale by its clients without the approval of the chief compliance officer. In addition, Peak 8, or any of its affiliates, may not sell any portion of an investment in an account to one or more clients or investors without the approval of the chief compliance officer. See “-Proprietary Accounts” and “-Principal Transactions,” above.

\* \* \*

If you would like to receive a copy of Peak 8’s Code of Ethics, you may direct your request to: Chief Compliance Officer, Peak 8 Asset Management LLC, 1330 Avenue of the Americas, 28<sup>th</sup> Floor, New York, NY 10019.

**ITEM 12. BROKERAGE PRACTICES**

(a) *Selection of Broker-Dealers*

## 1. Generally

Peak 8's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution on transactions effected for accounts. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors will be considered as they are deemed relevant.

These factors include Peak 8's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived soundness of the broker or dealer selected and other brokers or dealers considered; Peak 8's knowledge of actual or apparent operational problems of any broker or dealer; the broker's or dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

In seeking to obtain best execution, Peak 8 generally will not seek in advance competitive bidding for the most favorable commission rate or spread applicable to any particular portfolio transaction or to select any broker or dealer on the basis of its purported or "posted" commission rate. Peak 8 will endeavor to be aware of the current level of the charges of eligible brokers or dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. Although Peak 8 generally seeks competitive commission rates and dealer spreads, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker or dealer involved and would thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

## 2. Directed Brokerage

Peak 8 may in certain circumstances permit a client with a Managed Account to direct it to use a particular broker or dealer to execute portfolio transactions for its account. Where a client directs the use of a particular broker or dealer, Peak 8 may not be in a position to freely negotiate commission rates or spreads, or select brokers or dealers on the basis of best price and execution. Additionally, transactions for a client that directs brokerage may not be batched for execution purposes with orders for the securities or instruments for other clients managed by Peak 8. As a result, directed brokerage transactions may result in higher commissions, greater spreads or less favorable net prices than would be the case if Peak 8 were empowered to select brokers and dealers to execute transactions for the client.

## 3. Research and Other Soft-Dollar Benefits

Peak 8, as a matter of policy and practice as well as the nature of its investment management and advisory services and the types of securities it from time to time may recommend to its clients, does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a “soft dollar” commission basis.

(b) *Aggregation of Purchases and Sales of Securities*

Peak 8’s policy is to aggregate client transactions where possible and when advantageous to clients. Aggregation of client transactions allows Peak 8 to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges and other costs to clients. In these instances, transaction costs will be shared equally and on a pro-rata basis.

(c) *Investment Allocations*

Peak 8 has a fiduciary duty to act in the best interests of its clients, with undivided loyalty to each client. Nevertheless, because Peak 8 has multiple clients, its duty of loyalty to one client may conflict with its duty of loyalty to another client, particularly with respect to allocating trades. In addition, Peak 8 permits certain advised clients, at the clients’ discretion, to receive minority allocations of every securities purchase recommended by Peak 8.

To resolve conflicts of interest relating to investment opportunities, Peak 8’s policy is to provide equal and fair treatment to its clients over time, consistent with its duty of loyalty. In particular, trades may not be allocated to one client over another to favor one client at the expense of another; generate higher fees paid by one client over another or to produce greater performance compensation to Peak 8; develop a relationship with a client or prospective client; compensate a client for past services or benefits rendered to Peak 8 or to induce future services or benefits to be rendered to Peak 8; or equalize performance among different client accounts.

Investment positions inevitably will differ among client accounts because of the diversity of objectives, risk tolerances, tax situations, and differences in the timing of capital contributions and withdrawals. Any allocation of securities among client accounts should be consistent with the client accounts’ investment objectives, and the foregoing principles.

1. Pre-Trade Allocations

Peak 8’s trading staff prepares, before entering an aggregated securities transaction, a written pre-allocation statement specifying the participating client accounts and how they intend to allocate the transaction among those client accounts.

2. Re-Allocation of Partially Filled Orders

If an aggregated securities transaction is filled in its entirety, it is allocated among client accounts in accordance with the pre-allocation statement. If the order is partially filled, it is allocated in proportion to the allocations in the allocation statement.

#### **ITEM 13. REVIEW OF ACCOUNTS**

Responsibility for managing Peak 8's accounts is spread among Peak 8's professionals who are best suited and skilled to manage the asset class in which the account is invested. These professionals review and monitor the accounts on a periodic basis. On an ongoing basis, these professionals review current market prices of securities and instruments held for clients, review relevant financial markets, and are involved in all major portfolio decisions. Peak 8 professionals also monitor performance as appropriate.

A Peak 8 Managed Account client periodically receives a report that lists each investment in the account at the end of the reporting period, summarizes the period's account activities, and compares the market value of the account at period end against the ending market value for the prior period, unless otherwise agreed that a different type of statement will be provided.

#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Peak 8 may from time to time enter into arrangements and compensate unaffiliated solicitors for client referral activities in connection with Managed Accounts and investment advisory clients. These solicitation arrangements will be, among other things, fully disclosed to affected clients, and any compensation associated with such solicitation arrangement will generally be borne directly by Peak 8.

#### **ITEM 15. CUSTODY**

It is Peak 8's general policy not to have custody of any client funds or securities, all of which will be maintained with a qualified custodian.

Peak 8 may be deemed to have custody of the assets of a Managed Account where it has the ability to withdraw funds from the Managed Account to pay investment management fees. In that case, the client will receive account statements from the custodian of the Managed Account.

A client that receives account statements from the account custodian should carefully review those statements. In addition, the client is urged to compare the account statements received from the custodian with the reports that it receives from Peak 8.

#### **ITEM 16. INVESTMENT DISCRETION**

When Peak 8 is serving as an investment manager to a client's Managed Account, it typically purchases and sells securities and other instruments for the Managed Account, on a discretionary basis, in a manner consistent with the client's investment objectives and restrictions. These

investment objectives and restrictions, if any, are determined at the time the client initially engages Peak 8 as its investment manager (and may be updated from time to time) and are generally set forth in the investment management agreement between Peak 8 and the client. The authority for Peak 8 to exercise discretion is generally contained within the investment management agreement.

Generally, for Managed Account clients Peak 8 is authorized to make all discretionary determinations in accordance with client investment objectives and restrictions without client consultation or consent before a transaction is effected, such as, which securities to purchase or sell, the total amounts of such securities to purchase or sell, the broker or dealer through whom such securities will be purchased or sold, the commission rates or dealer spreads at which transactions in securities are effected, and the time of when to execute a trade to purchase or sell a security.

When Peak 8 is serving as an investment adviser to a client, it only makes recommendations to the client on which securities to purchase or sell. From time to time, however, a client may authorize Peak 8 to execute a transaction recommended by Peak 8 and approved by the client. The authority for Peak 8 to execute the trade and exercise discretion relating to trade execution, such as determining the broker or dealer through whom such securities will be purchased or sold and the broker's commission rates or dealer's spreads, is generally contained within the investment advisory (non-discretionary) agreement between the client and Peak 8.

#### **ITEM 17. VOTING CLIENT SECURITIES**

Peak 8 does not vote client securities and does not recommend to clients how they should vote.

Clients will receive proxies and other solicitations relating to client assets, if any, directly from the custodians of the client assets.

#### **ITEM 18. FINANCIAL INFORMATION**

Peak 8 has never filed for bankruptcy, and it is not aware of any financial condition that is expected to impair its ability to manage or advise client accounts.