

Prophet Capital Asset Management LP
FORM CRS – CUSTOMER RELATIONSHIP SUMMARY
June 2020

<p>Item 1. <u>Introduction</u></p>	<p>Prophet Capital Asset Management LP is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.</p>
<p>Item 2. <u>Relationships and Services</u></p>	<p>What investment services and advice can you provide me? We offer investment advisory services to retail investors such as individuals through separately managed accounts. Our investment strategies are all primarily focused on credit securities using methods such as long-term and short-term purchases and sales, the use of options, margin, and short sales. All accounts are managed in accordance with each client's specific risk tolerances and investment objectives.¹</p> <p>Monitoring We review the investment portfolios of our client accounts on a continuous basis.²</p> <p>Investment Authority We offer advisory services on both a discretionary and a non-discretionary basis. When we service a client's account on a discretionary basis, we do not need advance approval from the client to determine the type and amount of securities to be bought and sold.³</p> <p>Limited Investment Offering We do not offer a limited menu of investment offerings.⁴</p> <p>Account Minimums and Other Requirements We do not have any minimum requirements for opening or maintaining an account.</p> <p>Additional information about our services can be found on Part 2A of our Form ADV, which is available at https://adviserinfo.sec.gov/firm/summary/150683.⁵</p> <p>Conversation Starters. Ask your financial professional—</p> <ul style="list-style-type: none"> • Given my financial situation, should I choose an investment advisory service? Why or why not? • How will you choose investments to recommend to me? • What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?
<p>Item 3.A <u>Fees, Costs, Conflicts, and Standard of Conduct</u></p>	<p>What fees will I pay? The fees for our separately managed accounts are individually negotiated and will be calculated in accordance with a different fee structure, which could result in a lower fee structure.</p> <p>We also charge performance fees for our separately managed accounts. The receipt of a performance fee may create an incentive for us to make investments that are riskier or more speculative than we otherwise would.</p> <p>Additional information about our firm's fees are included in Item 5 of Part 2A of Form ADV, available at https://adviserinfo.sec.gov/firm/summary/150683.⁶</p> <p>Our advisory fees do not include the fees of unaffiliated asset managers or servicers, and advisors, broker-dealers, or custodians incurred in connection with a client's investment activities.⁷</p> <p>You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.</p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> • Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to

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	invest, how much will go to fees and costs, and how much will be invested for me?
Item 3.B <u>Fees, Costs, Conflicts, and Standard of Conduct</u>	<p>What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?</p> <p><i>When we act as your investment adviser</i>, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.</p> <ul style="list-style-type: none"> We have the discretionary authority to both choose the broker-dealer selected for each trade as well as negotiate commissions on behalf of our clients. Broker-dealers can offer to make available to us products and services that benefit us but not benefit our clients directly, which gives us an incentive to engage with such broker-dealers. We may advise our separately managed account clients to invest in one of our proprietary hedge funds. Such clients will pay fees in addition to our advisory fee including management fees and performance fees to the hedge funds that we also advise.⁸ <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> How might your conflicts of interest affect me, and how will you address them? <p>Additional information about conflicts of interest between us and our clients can be found on Part 2A of our Form ADV, which is available at https://adviserinfo.sec.gov/firm/summary/150683.⁹</p> <p>How do your financial professionals make money?</p> <p>Our financial professionals receive a salary and may receive a discretionary bonus. Compensation is set with the intention of attracting and retaining highly qualified professionals. Compensation is based on a variety of factors, including the number, value and complexity of accounts under management, the performance of those accounts, and client satisfaction and retention.¹⁰</p>
Item 4. <u>Disciplinary History</u>	<p>Do you or your financial professionals have legal or disciplinary history?¹¹</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.</p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> As a financial professional, do you have any disciplinary history? For what type of conduct?
Item 5. <u>Additional Information</u>	<p>More information about our services can be found at https://adviserinfo.sec.gov/firm/summary/150683. If you have any questions about the contents of this brochure or would like to request a copy of this relationship summary, please contact us at 512-327-9500.</p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

¹ Summarize the principal services, accounts, or investments you make available to retail investors, and any material limitations on such services. For investment advisers, state the particular types of principal investment advisory services you offer to retail investors, including, for example, financial planning and wrap fee programs. This description must address Monitoring, Investment

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Authority, Limited Investment Offerings, Account Minimums and Other Requirements. Monitoring, Investment Authority, Limited Investment Offerings, Account Minimums and other requirements can be discussed individually to be further explained.

² Explain whether you monitor retail investors' investments, including the frequency and any material limitations. If you offer monitoring, indicate whether these services are offered as part of your standard services.

³ If accepting **discretionary** authority, describe those services and any material limitations, including circumstances that trigger this authority and material limitations such as length of time.

If offering **nondiscretionary** services, explain that the retail investor makes the ultimate decision regarding the purchase and/or sale of investments.

⁴ Explain whether you make available or offer advice only with respect to proprietary products, or a limited menu of products or types of investments, and if so, describe these limitations.

⁵ Summarize the principal fees and costs retail investors will incur for investment advisory services, including how frequently they are assessed and the conflicts of interest they create. Investment advisers must describe their ongoing asset-based fees, fixed fees, wrap fee programs, or other direct fee arrangement. (This should align with ADV Part 1A, Item 5E.)

⁶ Summarize the principal fees and costs retail investors will incur for investment advisory services, including how frequently they are assessed and the conflicts of interest they create. Investment advisers must describe their ongoing asset-based fees, fixed fees, wrap fee programs, or other direct fee arrangement. (This should align with ADV Part 1A, Item 5E.)

⁷ Describe other fees and costs related to investment advisory services and investments, including examples of the most direct and indirect common fees and costs (e.g., custodian fees, account maintenance fees, fees related to mutual funds and variable annuities, and other transactional and product level fees).

⁸ As applicable, summarize the following other ways the firm and its affiliates make money from investment advisory services provided to retail investors and explain the incentives. If none apply, summarize at least one other material conflict.

- Proprietary products
- Third-party payments
- Revenue sharing
- Principal trading

⁹ You may include hyperlinks, mouse-over windows, or other means of facilitating access to this additional information and to any additional examples or explanations of such services.

[cross references to Form ADV, Part 2A brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1) and other applicable documents].

¹⁰ Summarize how the firm's financial professionals are compensated, including cash and non-cash compensation, and the conflicts of interest those payments create. Include whether financial professionals are compensated based on factors such as the amount of client assets they service, the time and complexity required to meet a client's needs, the product sold, product sales commissions, or revenue the firm earns from the financial professional's advisory services.

¹¹ State **{Yes}** or **{No}** as applicable. Firms must state "yes" if they or any of their financial professionals currently disclose or are required to disclose disciplinary or legal information in a Legal or disciplinary history in your Form ADV (Item 11 of Part 1A/Item 9 of Part 2A), Form BD (Items 11 A–K) (except to the extent such information is not released to BrokerCheck, pursuant to FINRA Rule 8312), or Items 14 A–M on Form U4, Items 7A or C–F of Form U5, or on Form U6 (unless not released to BrokerCheck).