

# **AKINA LIMITED**

SIHLSTRASSE 20; or P.O. BOX 2276  
8021 ZURICH, SWITZERLAND

TEL.: +41 44 220 16 00

FAX: +41 44 220 16 70

On the Web at: <http://www.akinapartners.com>

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## **FORM ADV PART 2 - BROCHURE**

Item 1 Cover Page

This brochure provides information about the qualifications and business practices of AKINA LIMITED ("Registrant/Akina"). If you have any questions about the contents of this brochure, please contact us by telephone at +41 44 220 16 00. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

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

## **Item 2 Material Changes**

None. This is the initial brochure prepared in this new, revised format of Form ADV Part 2 and thus this section does not apply at this time.

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## **Item 4 Advisory Business**

Akina Limited ("Akina") is a Zurich-based investment adviser wholly-owned by its partners. In May 2010, Akina changed its name from LODH Private Equity AG, following a change in the ownership. Previously Akina was a member of the Lombard Odier Darier Hentsch group of companies, a private bank headquartered in Geneva.

Akina offers investment advisory services to private equity limited partnerships, which invest principally in mid-sized buy-out, growth capital and, selectively, special situations investments in Europe via funds and direct investments. Interests in these limited partnerships are sold through private placements. Akina also offers separately managed private equity accounts through contractual arrangements, with negotiated terms regarding such matters as minimum commitment, fees, and diversification of investments.

The series of limited partnerships know under the fund names "Euro

Choice” currently comprises most of Akina’s managed assets. The Euro Choice funds generally seek to invest 80% of committed capital in fund investments, and a maximum of 20% in direct investments, although limited partnerships with a single limited partner will invest in accordance with the investment guidelines of the limited partner.

Investors should refer to the respective Private Placement Memorandum and offering documents for eligibility requirements, risks, details regarding fees and other important information. Akina often organizes additional investment holding vehicles to invest on behalf of certain limited partnerships, as with the Euro Choice funds, to achieve a particular investment objective such as to minimize tax impact or to maximize investment returns. The general partners to the limited partnerships are entities that are related persons of Akina.

Akina offers investment advice to private equity limited partnerships generally by selecting private equity funds for investment where ownership is mostly in the form of limited partnership interests. Ownership of direct investments may take the form of equity, shareholder loans, mezzanine, options / warrants. Akina generally co-invests in direct investment opportunities with fund managers in which one or more of its limited partnerships have invested, but it is not obliged to.

As of December 31, 2011, Akina had discretionary assets under management as follows (expressed as the total of investment commitments):

Total Discretionary AUM as of 31 December 2011    EUR 1.5 billion.

Akina did not advise any non-discretionary accounts as of the date of this filing.

## **Item 5 Fees and Compensation**

Akina (through the general partners of each partnership) charges performance-based fees, as indicated at Item 6, below. In addition, the general partners charge quarterly in advance the management fees to the limited partnership and quarterly for direct investments monitoring fees. If the advisory contract is terminated before the billing period the management fee will be refund pro rata temporis All such fees are fully disclosed in the respective partnership agreements.

Partnership expenses are borne by investors in each limited partnership in an amount proportionate to their investment in each limited partnership, as described in detail in the offering memoranda and Limited Partnership Agreements of each limited partnership.

Akina charges no additional custodial fees. Also, there are no additional brokerage commissions or fees associated with Akina's transactions in private equity fund or direct investments.

Akina does not provide its employees with a purely sales-based compensation, although employees may receive an annual, fully discretionary, bonus that may be correlated with that employee's performance during the preceding year, and total sales of limited partnership interests may be among the factors considered in determining the level of the employees performance.

## **Item 6 Performance-Based Fees**

Fees for investments in private equity limited partnerships will be charged as described in the applicable Private Placement Memorandum, and are generally not negotiable. Specifically, Akina will receive an advisory fee related to each limited partnership advised by Akina.

The following applies to the Euro Choice V limited partnership:

The **advisory fee is equal to 1% per annum of total commitments** until the 5th anniversary of the final closing of each partnership offering. Thereafter, the **advisory fee is 1% per annum of net obligations**, all as further described in the partnership's Private Placement Memorandum. The advisory fee is payable quarterly in advance.

"Carried interest" is payable on the net profits of the limited partnerships after expenses, including the advisory fee. The **carried interest is subject to a preferred return of 8% per annum**. Thereafter, the limited partnerships may pay to their respective general partner's a **carried interest of 5% of net profits attributable to fund investments and 20% of net profits attributable to direct investments**.

Terms regarding termination are as follows regarding investments in Euro Choice V: The term will be 10 years from the final Closing, provided that the term may be extended for two successive one-year periods by the relevant general partner in its discretion. Further extensions are

subject to consent by limited partners holding in aggregate a majority by value of the total commitments.

Terms regarding termination are described in the respective Private Placement Memorandum governing each limited partnership. Generally the terms only permit early termination of the limited partnership by an investor or the general partner under certain specified circumstances as described in the applicable Private Placement Memorandum.

Individually managed limited partnerships and other investment partnerships, including Euro Choice I to IV, are priced similar to above, with full details described in the respective Private Placement Memorandum governing each limited partnership.

### **Item 7 Type of Clients, Account Minimums**

Akina provides investment advice to a series of limited partnerships created to invest in European private equity interests and securities. Qualified investors in such limited partnerships may include pension- and profit sharing plans, trusts, estates, corporations and similar institutional investors. Qualified investors may also include ultra high net worth individuals. Limited partnerships or other legal structures may be created for use as intermediary investment vehicles for partnerships advised by Akina for such purposes as maximizing returns or minimizing taxation as permitted by law.

The Euro Choice private equity limited partnerships generally require a minimum commitment of €5 million, and Akina generally requires a minimum of €100 million in assets under management to form a limited partnership with a single limited partner, or for a separately managed private equity account, if applicable.

Under certain circumstances and at its discretion, Akina may waive the stated minimum account sizes. In the case of private equity limited partnerships, their respective general partner may accept lower commitments.

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

Akina uses a proprietary database, which includes information on a universe of fund managers and potential direct investments.

Specifically, the proprietary database includes information on deal origination, deal flow tracking, past performance, investment philosophy, key personnel, strengths and weaknesses, business references, and a proprietary ranking system based on stringent guidelines.

Although Akina primarily relies on the research capabilities of its staff, Akina may obtain information through the research and analyses prepared by various institutions, contacts with representatives of issuers, banks, brokers, governments and others; financial, economic and business publications, and other public documents containing information concerning interest or securities issuers.

Limited partnerships and private equity investments, both in private equity funds and direct investments, are very risky investments, and pose the risk of loss of all the capital invested. Private equity investments pose, among others, the following risks particular to the private equity investment class:

**Nature of Investment.** An investment requires a long-term commitment with no certainty of return. There can be no assurance that strategy will be implemented or that an Investor will receive a return of its capital. There is no guarantee that suitable investments will be secured or that they will be successful. By its nature, investments in private equity securities or funds are generally illiquid investments, redeemable only upon the maturity of a particular investment, or satisfying certain conditions or the expiration of a period of time consistent with initial contractual terms on which the investments were purchased, and Akina expects to make investments consistent with this standard.

**Past Performance.** The performance of fund investments and direct investments of other investment funds is not necessarily indicative of the results that will be achieved by future funds.

**Restrictions on Transfer and Withdrawal.** The Interests have not been and will not be registered under the securities laws of any jurisdiction. There is no public market for the Interests and none is expected to develop. In addition, the Interests are not transferable except with the consent of the General Partner in its sole discretion. Consequently, Investors may not be able to liquidate their investments prior to the end of the term.

**Reliance on Management.** There can be no assurance that management teams will continue to be affiliated with fund or direct investments, or if they do, that they will continue to operate successfully.

General Economic Conditions. General economic conditions may affect investments. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made or considered. Political and economic instability in any of the countries could adversely affect investments. In addition, policy changes with regard to taxation, fiscal and monetary policies, repatriation of profits and other economic regulations may occur, any of which could have an adverse effect on investments.

Foreign Currency and Exchange Risks.

Borrowing. Funds may incur borrowings. As a consequence, it may be exposed to the risks normally associated with borrowings, and the overall returns may be reduced below the level which they would otherwise have been without borrowings.

Distributions in Kind. Under certain circumstances distributions may be made in kind and could consist of securities for which there is no readily available public market.

Investor default.

## **Item 9 Disciplinary Information**

Akina does not have any reportable events of a legal or disciplinary nature that are material to an investor's, client's or prospective investor's or client's evaluation of Akina's advisory business or of the integrity of Akina's management.

## **Item 10 Other Financial Industry Activities and Affiliations**

As part of its services, Akina organizes and markets interests in commingled pooled investment vehicles, including limited partnerships. Some of these investment vehicles are not available to US investors. Akina spends approximately ten per cent of its time on such other activities.

The general partners to the private equity limited partnerships are entities affiliated with or owned by the partners and select other staff of Akina. Also, Akina may rent its office space and outsource certain

administrative and legal or compliance support, or information technology support to third party entities pursuant to one or more Service Level Agreements.

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

Akina has a Code of Ethics in place adopted pursuant to SEC rule 204A-1 that imposes certain restrictions on personal trading activities in any employee account or any account in which an employee has control or a beneficial interest. Specifically, Akina's policy requires all staff to pre-clear all investments in private equity securities transactions, and certain transactions, such as the acquisition of securities offered through IPOs or short sales, are strictly prohibited.

Akina has established procedures including policies with regards to proprietary and inside information to address the conflicts of interests that may arise as a result of Directorships. Furthermore, Akina generally discourages and may prohibit employees from serving as Directors of public companies.

Akina also requires at least quarterly transaction and annual securities holdings reports from all of its employees. Employee's personal securities transactions are reviewed for potential conflicts of interest on at least a quarterly basis.

Furthermore, as part of the investment strategy of the private equity limited partnerships, it is anticipated that members of Akina will serve on the Board of Directors of some of the companies in which the limited partnerships are invested.

Akina and its senior employees are required to invest in private equity limited partnerships advised by Akina to align interests with investors. Alternatively, Akina and its employees may invest in parallel alongside a private equity limited partnership in an underlying investment. In all cases Akina and its employees shall invest on the same terms and conditions as other investors in the applicable private equity limited partnership.

Akina may recommend the purchase or sale of the securities of a company to which Akina provides advisory or other services for a fee; generally such an arrangement will take place only after Akina has already invested in the securities of such company and is providing such



services incidental to the investment.

The private equity limited partnerships may co-invest in funds and direct investments with other private equity limited partnerships advised by Akina. All such co-investments will be made on a pro-rata basis based on committed capital, subject to any legal, tax, regulatory or investment strategy restrictions.

Following the change of ownership at Akina, entities within, or investment pools managed by, the Lombard Odier Darier Hentsch Group have and will retain all of their commitments as limited partners to the private equity limited partnerships that existed as of May 2010.

Akina does not receive indirect compensation such as gifts or benefits in the form of Travel and Entertainment as part of any arrangement.

Akina will provide limited partnership investors a copy of its Code of Ethics upon request.

## **Item 12 Brokerage Practices**

Akina does not engage brokers in the traditional sense. The purchase or sale of securities in connection with direct private equity investments as well as investments in underlying private equity funds are negotiated directly with the corresponding counterparty, and are generally transacted net of any closing costs or fees associated with completing the private equity or fund transaction. In all cases, Akina seeks to achieve the lowest transaction costs practical as would be achieved under similar circumstances or regarding a comparable transaction.

## **Item 13 Review of Accounts**

The nature and frequency of reports furnished to clients is as agreed with such client or as described in the applicable Private Placement Memorandum. Prospective investments are thoroughly reviewed prior to the decision to invest in any particular private equity fund or direct investment. At least on a quarterly basis Akina reviews managed partnerships' private equity fund and direct investments regarding such factors as concentration and diversification, and investment performance.

Generally, Akina sends a written quarterly or semi-annual review

regarding each limited partnerships to the corresponding limited partnerships' investors.

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

Akina has entered into an agreement with Thomas Capital Group, Inc. ("TCG") pursuant to which TCG acts as exclusive placement agent for Akina's investment products or services in certain regions of the world, including the United States. In exchange, Akina or its affiliates directly compensates TCG for client referrals and its marketing and selling efforts. Such compensation will be paid in any or all of the following forms: (1) retainer fees, which include at least a fixed monthly retainer; (2) a placement fee, equal to an amount derived from the management fees earned by Akina regarding a managed account or a percentage of the assets raised; and (3) reimbursement of expenses.

Other than as described, Akina has no formal third-party solicitation arrangements and makes no other regular payments to any person or entity in compensation for capital introduction.

#### **Item 15 Custody**

Akina does not maintain self-custody of investor assets. Instead, Akina keeps custody at qualified financial institutions that send regular statements, no less frequently than quarterly, regarding the assets maintained by such financial institution. Akina arranges annual independent audits regarding each limited partnership, and investors in limited partnerships advised by Akina are urged to compare the account statement they receive from Custodians, if any, with any similar statement they may receive from Akina or its affiliates.

#### **Item 16 Investment Discretion**

Pursuant to each Private Placement Memorandum, Akina provides discretionary investment advice to private equity limited partnerships. Akina does not require specific client consent regarding the securities to be bought or sold or the amount of such securities to be transacted. Akina provides investment advice as provided for in the applicable Private Placement Memorandum, but generally may recommend any investment consistent with the investment objectives of the particular partnership and generally accepted fiduciary standards. By its nature,

investments in private equity securities or funds are generally illiquid investments, redeemable only upon the maturity of a particular investment, or satisfying certain conditions or the expiration of a period of time consistent with initial contractual terms on which the investments were purchased, and Akina expects to make investments consistent with this standard.

Investors or their fiduciaries must make their own decisions to become limited partners in and commit assets to any limited partnership. It is anticipated that the limited partnerships will primarily directly and indirectly invest in European mid-sized buy-out and growth capital companies. The securities of such companies may be in the form of private securities for which no public market is available. Investors should refer to the particular Private Placement Memorandum and offering documents for other important information regarding such matters as risks, conflicts of interests, and eligibility requirements.

### **Item 17 Voting Client Securities**

Regarding private equity fund investments, Akina does not typically vote proxies because there are none, i.e. the nature of private equity funds does not typically present such representative voting rights.

Regarding direct investments, however, Akina votes private equity securities directly, and not by proxy, such as may exist on a case-by-case regarding each private equity investment in whatever form it may take consistent with what is believed to be the best interests of the stakeholder in question.

## **Privacy Policy**

**Akina Limited is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the strictest confidence. These records may include personal information we collect in connection with any of the services provided by Akina. We do not disclose information to nonaffiliated third parties, except as required by law. If we were to anticipate a change in our firm's privacy policy, we would be prohibited under U.S. law from making the change without advising you first. Following is our policy with respect to personal information.**

**We do not provide personal identification information to mailing list vendors or solicitors for any purpose.**

**We limit employee and agent access to information only to those who have business or professional reason for knowing, and only to nonaffiliated partners as permitted by law.**

**We maintain a secure office and computer environment to ensure that information is not placed at unreasonable risk.**

**The categories of nonpublic personal information we collect depends upon the scope of the client engagement. It will include information about finances, information about transactions, and possibly information from consumer reporting agencies.**

**We require strict confidentiality in our agreements with unaffiliated third parties that require access to any personal information such as financial service companies, consultants, and auditors, and expect them to keep this information private.**