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# edoma

## **Part 2A of Form ADV: Brochure Document June 2012**

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### **Edoma Global Event Driven Fund**

**Edoma Global Event Driven Master Fund Limited**

**Edoma Global Event Driven Fund Limited**

**Edoma Global Event Driven Fund Limited Partnership**

### **Manager and Global Marketing**

**Edoma Capital Partners LP**

### **Investment Manager**

**Edoma Partners LLP**

## Part 2 of Form ADV

1.	INTRODUCTION.....	3
2.	MATERIAL CHANGES.....	4
3.	ADVISORY BUSINESS .....	5
4.	FEES AND COMPENSATION.....	6
5.	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	7
6.	TYPES OF CLIENTS .....	8
7.	METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS.....	9
8.	DISCIPLINARY INFORMATION .....	11
9.	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	12
10.	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING .....	13
11.	BROKERAGE PRACTICES .....	14
12.	REVIEW OF ACCOUNTS.....	15
13.	CLIENT REFERRALS AND OTHER COMPENSATIONS .....	16
14.	CUSTODY.....	17
15.	INVESTMENT DISCRETION.....	18
16.	VOTING CLIENT SECURITIES.....	19
17.	FINANCIAL INFORMATION .....	20

## 1. INTRODUCTION

This brochure provides information about the qualifications and business practices of Edoma Partners LLP ("Edoma" or "the Company"). If you have any questions about the contents of this brochure, please contact us at [inquiries@edomapartners.com](mailto:inquiries@edomapartners.com) or at +44 (0)207 866 9100. 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 Edoma is also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## 2. MATERIAL CHANGES

On 14<sup>th</sup> February 2012 Edoma filed its initial application to register as an investment adviser with the Securities and Exchange Commission ("SEC") and the registration became effective on 30<sup>th</sup> March 2012. Accordingly, pursuant to disclosure rules under the Advisers Act of 1940 (the "Advisers Act"), this is the brochure compiled by Edoma to provide new and prospective clients and investors with disclosure of the Company's business practices and conflicts of interest. We encourage all recipients to read this brochure carefully in its entirety.

### 3. ADVISORY BUSINESS

Edoma is a limited liability partnership organized under the laws of England and Wales. The Company was incorporated in May 2010 and was authorized by the United Kingdom's Financial Services Authority in October 2010.

Edoma is owned by eight individuals, including the Company's four founding partners. One of the founding partners, Pierre-Henri Flamand, owns 59% of the Company.

Edoma provides discretionary investment advisory services to its clients (collectively, the "Funds"), including the Edoma Global Event Driven Master Fund Limited (the "Master Fund") and underlying feeder funds (the "Feeder Funds"). The Feeder Funds include the Edoma Global Event Driven Fund Limited (the "Offshore Feeder"), Edoma Global Event Driven Fund, L.P. (the "Onshore Feeder"), and vehicles established exclusively for single large institutional investors.

The Feeder Funds invest all of their assets (to the extent not retained in cash) in the Master Fund. The Master Fund seeks to generate risk-adjusted returns through opportunistic investing across the capital structure, with the core philosophy focused on event driven situations. Edoma seeks to achieve this investment objective by investing on a global basis, but with particular focus on Europe, the U.S., Latin America, and emerging European, Middle Eastern, and African markets.

The Company provides advice to the Funds based on the investment objectives and strategies of the Funds, as outlined in Fund offering memoranda. Edoma does not tailor advisory services to the individual needs of investors in the Funds ("Investors"), and Investors may not impose restrictions on investing in certain securities or certain types of securities.

As of April 30, 2012, Edoma managed approximately \$1.50 billion in assets on a discretionary basis.

#### 4. FEES AND COMPENSATION

The compensation Edoma receives from the Funds is comprised of a management fee based on a percentage of assets under management, as well as a performance-based fee (i.e., a fee based on a share of capital gains on or capital appreciation of the assets under management). Management fees range between 1% and 2% per annum, depending on the share class or series of the Fund and the amount invested, and are typically paid monthly in arrears. Performance fees range between 5% and 20% of net profits and are typically paid monthly.

Fees are generally not negotiable. However, the Company may waive or reduce the investment management fee and/or the performance-based compensation for Investors at its discretion, including for Investors that are members, principals, employees or affiliates of the Company or relatives of such persons and others.

Each Fund will also pay its own expenses, including, but not limited to: (a) legal, accounting, auditing, and other professional expenses; (b) fees and expenses of the administrator; (c) taxes and corporate fees payable to governments or agencies; (d) directors' fees (if any) and expenses; (e) interest on borrowings, including borrowings from prime brokers and custodians; (f) the fees and expenses of custodians; (g) the cost of insurance (if any) for the benefit of the directors; and (h) litigation and indemnification expenses. In addition, the Funds will incur brokerage and other transaction costs, including brokers' commissions and borrowing charges on securities sold short. Item 12 below includes a more detailed discussion of Edoma's brokerage practices.

**Please refer to Fund offering documents for a complete description of the fees and expenses charged by each Fund.**

## 5. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As stated in the **Fees and Compensation** section above, the Funds pay performance-based fees, which are fees based on a share of capital gains on or capital appreciation of the Fund's assets. Edoma does not manage accounts for any clients that do not pay a performance-based fee.

## 6. TYPES OF CLIENTS

Edoma's clients consist of the Funds. The minimum investment in either the Onshore Feeder or the Offshore Feeder is \$5,000,000. Edoma may waive the minimum investment amount at its discretion. Feeder Funds established for specific institutional investors may have lower minimum initial investment requirements.



## 7. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Edoma's clients consist of the Funds. The minimum investment in either the Onshore Feeder or the Offshore Feeder is \$5,000,000. Edoma may waive the minimum investment amount at its discretion. Feeder Funds established for specific institutional investors may have lower minimum initial investment requirements.

The investment objective of the Master Fund is to seek to generate attractive risk-adjusted returns through opportunistic investing across the capital structure, with the core philosophy focussed on event driven situations. Edoma invests on a global basis, but with particular focus on Europe; new European, Middle Eastern, and African markets; the U.S.; and Latin America. Edoma may invest in listed equities, listed debt securities, options, warrants, convertible bonds, and other derivative instruments including, but not limited to, contracts for differences and futures contracts. Derivative instruments may be exchange-traded or over-the-counter and may be used for hedging or investment purposes.

The Company's overall investment approach includes the following elements:

- A. **Idea Generation** – This includes an evaluation of investment ideas, a critique of investment views and cash flow model assumptions, and optional use of external due diligence consultants to assess key assumptions. All ideas are reviewed by the Investment Committee.
- B. **Anticipated Macro Background** – Investment personnel monitor markets across asset classes with a focus on specific fundamental news flow.
- C. **Implementation and Risk Management** – Positions are sized and hedged based on investment and portfolio liquidity, aggregate portfolio factor risks, macro views, and volatility of underlying names. Ongoing portfolio analysis may include stock specific technical analysis, high level dislocation events, and a strong focus on positioning of peers, sell-side consensus, and resulting crowding effects.

Edoma applies an active risk management approach. Hedging transactions are tailored to the underlying motivations for each position. Hedging is done at the position and portfolio level. In addition, sizing is critical to the risk/return balance. As a result, Edoma seeks to ensure that the highest conviction trades are larger in scale, while still being sized such that the overall impact on the portfolio is managed in the event of an adverse market movement.

Investing in securities involves the risk of loss that clients and investors should be prepared to bear. It is not anticipated that there will be an active secondary market for Fund interests and it is not expected that such a market will develop. Further, no guarantee or representation is made that a Fund's investment objectives will be achieved and performance could be negatively impacted by a number of risks, including, but not limited to:

1. **Liquidity Risk** – Certain markets may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere.
2. **Concentration Risk** – Certain Funds do not have fixed guidelines for diversification and may concentrate investments in particular industries or companies. Increased concentration of securities or industries can maximize the adverse impact to a portfolio in the event of a significant decrease in the value of a particular security or an adverse economic, political, or regulatory occurrence affecting an industry.
3. **Derivatives** – The Funds may make use of various derivative instruments, such as convertible securities, options, futures, forwards, and interest rate, credit default, total return, and equity swaps. The use of derivative instruments involves a variety of risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are

frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses.

4. **Use of Leverage** – The Funds leverage their investment positions by borrowing funds from securities broker-dealers, banks or others. From time to time a Fund may borrow significant amounts to take advantage of perceived opportunities, such as short-term price disparities between markets or market securities. While leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well.
5. **Counterparty (Credit) Risk** – The Funds may enter into transactions in OTC markets whereby the Funds will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses.
6. **International Investing** – Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly-available information; (ii) varying levels of governmental regulation and supervision; and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation, and application of laws.

Investors should refer to Fund offering documents for a complete description of the risks involved in an investment in a Fund.

## 8. DISCIPLINARY INFORMATION

Neither Edoma nor any of management personnel have been subject to any disciplinary action, whether criminal, civil, or administrative (including regulatory) in any jurisdiction.

## 9. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Edoma is related to Edoma General Partner Limited, which serves as the general partner to the Onshore Fund. Neither Edoma nor any of its employees have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

## 10. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

Edoma has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act, which is predicated on the principal that Edoma owes a fiduciary duty to its clients. Accordingly, employees of Edoma must disclose or avoid activities, interests, and relationships that run contrary (or appear to run contrary) to the best interest of the Funds. Edoma endeavors to maintain current and accurate records of all personal securities accounts of its employees in an effort to monitor all such activity.

Personal transactions in securities by principals and employees of Edoma ("Supervised Persons") are subject to the restrictions set forth in Edoma's Code of Ethics. The personal account trading rules contained in the Code of Ethics, among other things, restrict Supervised Persons from buying and selling securities that have been or are in the process of being purchased or sold for the Funds. With certain exceptions (e.g., mutual funds, ETFs, currencies, and money market instruments), Supervised Persons may buy or sell securities only after such transactions have been pre-cleared by Edoma.

From time to time, Edoma or its Supervised Persons may come into possession of material, non-public or other confidential information about companies which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Supervised Persons are prohibited from improperly disclosing or using this information for their personal benefit or for the benefit of any person, regardless of whether the person is a client of Edoma.

A copy of Edoma's Code of Ethics is available to any Fund investor or prospective investor upon request.

## 11. BROKERAGE PRACTICES

As an investment manager authorized by the UK Financial Services Authority, Edoma is required to put in place arrangements to enable it to deliver best execution. As such, Edoma shall take all reasonable steps to obtain the best possible result for the Funds when transacting in financial instruments, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order execution.

Edoma also considers whether a broker or dealer has furnished research or other services that enhance its investment and research portfolio management capability. In accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended, Edoma may negotiate with and assign to a broker a commission that may exceed the commission that another broker would have charged, if Edoma determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage and/or research services provided by such broker. Edoma evaluates the value of a broker's services and the reasonableness of a broker's commissions taking into account the following types of research services that the broker may provide: economic research, market strategy research, industry research, company research, fixed income data services, computer-based research services, and portfolio strategy or performance analysis. Edoma may obtain both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party. The research services obtained from brokers in this manner are used for the benefit of all clients of Edoma.

Research services received from brokers and dealers are supplemental to Edoma's own research efforts. As such, Edoma has an incentive to select broker-dealers based on Edoma's interest in receiving the research or other products or services, rather than on the Funds' interest in receiving most favorable execution. However, as a practical matter, it would not be possible for Edoma to generate all of the information presently provided by brokers and dealers. Edoma pays cash for certain research services received from external sources and, through various commission sharing arrangements, allocates brokerage to pay for other research services. While the receipt of research services from brokerage firms has not reduced Edoma's normal research activities, the expenses of Edoma would be materially increased if it attempted to generate such additional information through its own investment research activities.

Edoma does not have any agreement or formula for the allocation of brokerage business on the basis of research services; however, investment personnel monitor which brokers have provided research that has been helpful in the management of the Funds. To the extent consistent with the foregoing and its duty to seek best execution, Edoma may seek to place a portion of the trades that it directs with the brokers who have been so identified.

Edoma does not currently aggregate trades, as trading is done only on behalf of one client (i.e., the Master Fund). In the future, should Edoma effect trades on behalf of multiple clients, the Company anticipates that it will aggregate the purchase or sale of securities as appropriate.

## 12. REVIEW OF ACCOUNTS

Generally, the Funds are reviewed on a continuous basis by investment personnel and the Chief Investment Officer. These reviews are designed to monitor and analyze Funds transactions and positions and ensure compliance with investment objectives and restrictions.

Fund investors receive monthly un-audited Capital Account Statements, annual tax information, and annual audited financial statements. Upon request, certain information about the securities, positions, and performance of the Funds is also available to investors.

### 13. CLIENT REFERRALS AND OTHER COMPENSATIONS

Edoma does not directly or indirectly compensate any person for client or investor referrals.



## 14. CUSTODY

All Fund assets are held in custody by unaffiliated broker-dealers or banks. However, Edoma has access to the Funds' accounts since it or an affiliate serves as the managing member or general partner of the Funds. Investors do not receive statements directly from Fund custodians. Instead, the Funds are subject to an annual audit and audited financial statements are distributed to each Investor. Audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

## 15. INVESTMENT DISCRETION

Edoma manages the Funds on a discretionary basis subject to the guidelines and restrictions set forth in Fund offering documents and pursuant to an executed investment management agreement. Edoma has authority to determine the securities to be bought and sold without obtaining Fund or Investor consent to specific transactions.

## 16. VOTING CLIENT SECURITIES

Edoma has authority to vote proxies on behalf of the Funds. Edoma will generally vote proxies so as to promote the long-term economic value of the underlying securities. Each proxy proposal will be considered on its own merits, and Edoma will vote exclusively with the goal to best serve the financial interests of the Funds. Neither the Funds nor underlying investors may direct Edoma's vote with respect to any proxy.

Edoma may have a conflict of interest in voting a particular proxy. A conflict of interest could arise, for example, as a result of a business relationship with a company, or a direct or indirect business interest in the matter being voted upon, or as a result of a personal relationship with corporate directors or candidates for directorships. If Edoma determines that it or one of its employees faces a material conflict of interest in voting a proxy, Edoma's procedures provide that a voting decision shall be made based exclusively on the relevant individual's judgment of what will best serve the financial interests of the Funds and the rationale for any such decision, as well as a summary of how the conflict arose, will be separately recorded,.

Investors may obtain a copy of Edoma's proxy voting policies and procedures, as well as information about how the Company voted with respect to Fund securities, by contacting us at +44 (0)207 866 9100.

## 17. FINANCIAL INFORMATION

Edoma has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.