

FORM ADV PART 2A

FIRM BROCHURE

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November 5, 2012

This brochure (the “**Brochure**”) provides information about the qualifications and business practices of La Plata River Partners, LLC (“**La Plata**”). If you have any questions about the contents of this Brochure, please contact us by phone at (509) 987-5250. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities regulatory authority.

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

Following the effectiveness of its registration, La Plata may refer to itself as a registered investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). SEC registration does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

This is the first version of our firm Brochure and therefore there are currently no material changes to be noted in response to this Item 2 and the Brochure should be reviewed in its entirety.

In the future, when the Brochure is amended as part of an annual update, and the amended version contains material changes from the previous annual update, this Item 2 will identify and discuss those material changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, the date of the previous annual update of the Brochure will be provided.

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## Item 4 – Advisory Business

La Plata River Partners, LLC, a Delaware limited liability company (“**La Plata**”), has been in business since 2001. La Plata’s sole member and principal owner is William A. Lupien.

La Plata currently serves as the general partner of, and investment adviser to, Kudu Partners, L.P., a Delaware limited partnership (the “**Fund**”). The Fund’s investment strategy is described in more detail in Item 8. La Plata may provide investment advisory services to additional private investment funds and other clients in the future.

The terms for the Fund are disclosed in detail in the Fund’s offering documents that are provided to prospective investors prior to investment. The Fund is managed in accordance with the investment objectives, strategies and guidelines and the terms and conditions of investment, set out in its private placement memorandum, organizational, governing and other related documents (together, the “**Governing Documents**”). A prospective Fund Investor (as defined below) must consider whether a Fund is an appropriate investment, including with respect to such Fund Investor’s investment objectives and risk tolerance.

La Plata treats the Fund as an “advisory client” or “client.” La Plata neither tailors its advisory services to the individual needs of investors in the Fund (each, a “**Fund Investor**”) nor accepts Fund Investor-imposed investment restrictions with respect to the Fund. La Plata may take into consideration the general characteristics of its target Fund Investors, but not necessarily the characteristics of any specific Fund Investor. An investment in a Fund does not, in and of itself, create a client-adviser relationship between any Fund Investor and La Plata.

La Plata does not participate in wrap fee programs.

As of September 30, 2012, La Plata managed approximately \$61.8 million of Regulatory Assets under Management on a discretionary basis. La Plata does not manage any assets on a non-discretionary basis.

## Item 5 – Fees and Compensation

Fees are generally negotiable for each Fund Investor.

### Management Fee

Pursuant to the Fund's Governing Documents, La Plata receives a management fee payable monthly in arrears equal to one-twelfth of 1% (1% per annum) of the net assets of the Fund. The management fee will be pro-rated when La Plata provides services for less than a full month.

La Plata may, in its sole and absolute discretion, reduce or waive the management fee with respect to any Fund Investor, without notice to or the consent of any other Fund Investor.

### Performance-Based Allocation

Pursuant to the Fund's Governing Documents, La Plata receives from the Fund a performance-based allocation generally made at the end of the year equal to 20% of the excess of the net profits allocated to each Fund Investor over any net losses that have been allocated to the Fund Investor, including un-recouped net losses carried forward from prior periods.

La Plata may, in its sole and absolute discretion, elect to reduce or waive the performance-based allocation with respect to any Fund Investor, without notice to or the consent of any other Fund Investor.

See Item 6 for discussion of potential conflicts of interest associated with the performance-based compensation received by La Plata.

### Expenses

The Fund, and thus the Fund Investors indirectly, bear all expenses other than administrative and office overhead expenses of the Fund. Fund expenses may include, without limitation, legal, accounting, auditing and other professional expenses, research expenses, investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and any other reasonable expenses related to the purchase, sale or transmittal of Fund assets as shall be determined by La Plata in its sole discretion. The Fund will pay its pro rata share of all losses and expenses arising from trading errors unless such errors are caused by the gross negligence of La Plata.

Refer to Item 12 – Brokerage Practices for further information regarding the Fund's investment and trading expenses.

**It is critical that Fund Investors refer to the relevant Fund's Governing Documents for a complete understanding of how La Plata is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents.**

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As described in Item 5 above, La Plata receives a performance-based allocation. It should be noted that the possibility that La Plata could receive performance-based compensation creates a potential conflict of interest that may create an incentive for La Plata to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation.

The management fee and the performance-based allocation both depend on the value of the Fund's investments. La Plata may value investments of the Fund when La Plata determines that market prices or quotations do not fairly represent the value of particular investments or when investments are not publicly traded. As a result, La Plata may benefit by receiving a management fee or performance-based allocation that is increased by the impact, if any, of such valuation. Even where a security is accurately valued, the Fund may not ultimately realize the value upon which a performance-based allocation was charged upon its ultimate sale due to subsequent market movements. Absent bad faith or manifest error, La Plata's valuation determinations are conclusive and binding on all Fund Investors.

Additionally, where a Fund Investor purchases or withdraws or redeems interests or shares in a Fund at a net asset value that is impacted by a discrepancy in valuation, such Fund Investor may receive a greater or lesser interest in (or increased or decreased withdrawal or redemption proceeds from) such Fund than would have been the case absent the discrepancy. Similarly, existing and continuing Fund Investors may be subject to dilution or accretion. While the Fund does not intend to regularly invest in private or illiquid securities, a portion of the assets in which the Fund invests may, at any time or from time to time, be illiquid, thinly traded or otherwise difficult to value. As a result, La Plata has established valuation policies and procedures to mitigate the conflicts and potential for material pricing discrepancies in respect of Fund assets and to assure that assets are valued in good faith. Under these procedures, assets held by or on behalf of a Fund are valued as described in the relevant Fund's Governing Documents or, in the absence of specific and stated valuation procedures, at fair or market value.

La Plata presently provides investment advisory services only to the Fund. As such, there is currently no potential conflict of interest related to managing accounts that provide La Plata with performance-based compensation alongside accounts that charge no or lower performance-based compensation.

La Plata may establish one or more separately managed accounts or funds in the future that employ a similar trading strategy and which may have different fees arrangements than those of the Fund. In such event, La Plata would adopt appropriate procedures for the allocation of trades to ensure that all accounts are treated on an equitable basis.

## Item 7 – Types of Clients

La Plata provides investment advisory services to the Fund, which is a private investment fund. The Fund requires a minimum initial investment of \$100,000, subject to the sole and absolute discretion of La Plata to accept lesser amounts.

In addition to the minimum subscription amount, Fund Investors must also meet the Fund's eligibility requirements which generally require a Fund Investor to qualify as an "accredited investor" as defined in Rule 501 under Regulation D under the Securities Act of 1933, as amended. Fund Investors also need to meet additional requirements set forth in a Fund's Governing Documents, including the subscription agreement.

La Plata does not currently manage separately managed accounts and is not currently seeking to establish separately managed accounts for prospective clients.

This Brochure may be provided to current or prospective Fund Investors, together with the Fund's Governing Documents, prior to or in connection with such prospective Fund Investor's consideration or execution of an investment in a Fund, and may subsequently be provided periodically to a Fund Investor. Fund Investors and other recipients should be aware that while this Brochure may include information about the Fund, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with the Fund. More complete information about the Fund is included in the Governing Documents, which may be provided to current and eligible prospective Fund Investors only by La Plata or another authorized party.

**In no event should this Brochure be considered to be an offer of interests or shares in the Fund or relied upon in determining whether to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.** Rather, this Brochure is designed solely to provide information about La Plata for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in the Governing Documents. **To the extent that there is any conflict between discussions herein and similar or related discussions in any of the Governing Documents, the Governing Documents shall control.**

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

Investing in securities involves the risk of loss that Fund Investors should be prepared to bear. Fund Investors could lose some or all of their investment in the Fund.

### Methods of Analysis

La Plata uses a combination of technical and fundamental methods to assess risks and opportunities in the capital markets. Fundamental data help La Plata identify companies, industries, and sectors with compelling financial characteristics. Technical data help us identify securities with attractive supply demand characteristics.

Throughout our investment process, we review numerous sources of information: financial newspapers and magazines; inspections of corporate activities; research materials prepared by others; corporate rating services; annual reports, prospectuses, and filings with the SEC; and company press releases.

La Plata may sell securities that meet its appreciation objectives or experience unfavorable fundamental or technical developments in shorter time spans. La Plata's principal focus is to invest its clients' assets in a manner that seeks to achieve long-term capital appreciation.

### Investment Strategies

The Fund has significant flexibility to invest in and trade assets. Such assets may include, but are not limited to, options on commodities and futures, options on fixed-income securities, options on equity-related securities and indices and options on currencies. Such options may include (but not be limited to) covered and uncovered puts and calls and over-the-counter options. The Fund may also invests in equity and equity-related securities, futures, other commodity interests, bonds and other fixed-income securities, preferred stocks, convertible securities, warrants, rights, swaps and other derivative instruments, non-U.S. securities, non-U.S. currencies, private securities, cash, money market instruments and other cash equivalents. The Fund may also engage in short selling, margin trading, hedging and other investment strategies.

### Certain Risk Factors

Investing involves risk of loss that the Fund Investors should be prepared to bear. Below are brief summaries of some of the risks that prospective Fund Investors should consider before investing in the Fund. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held by the Fund, and could cause Fund Investors to lose substantial amounts of money. Potential Fund Investors in the Fund should review the Fund's Governing Documents carefully and in their entirety, and consult with their professional advisers before deciding whether to invest. A potential Fund Investor should discuss any questions that such person may have with La Plata's representatives before investing in the Fund.

- The Fund may not achieve its investment objectives. The Fund's investment strategy may not be successful and Fund Investors may lose some or all of their investment.
- The Fund, with respect to its investments in the securities of mining companies, may be subject to the effects of competitive pressures in the mining industry and the price of minerals. These prices may fluctuate substantially over short periods of time, so the securities of such companies may be more volatile than other types of investments. In addition, mining companies may also be significantly affected by import controls, worldwide competition, liability for environmental



damage, depletion of resources, and mandated expenditures for safety and pollution control devices.

- Certain of the Fund's investments may be subject to commodity price risk, including, without limitation, the price of electricity, iron ore, coal, and industrial and precious metals. The operation and cash flows of the Fund's investments may depend, in substantial part, upon prevailing market prices for commodities. These market prices may fluctuate materially depending upon a wide variety of factors, including, without limitation, weather conditions, market supply and demand, business cycles, force majeure, and changes in law.
- The Fund may use leverage by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- The Fund may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses. Any gain or loss from the sale or exercise of an option is reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.
- The Fund may trade exchange-traded and over-the-counter derivatives, including, but not limited to, futures, options, forwards, swaps, contracts for differences and other interests. Trading in these instruments is highly speculative and may entail risks that are greater than those of investing in other securities. These instruments can be highly volatile and expose the Fund to a high risk of loss.
- The Fund may trade extensively in futures contracts (and options on futures). Futures positions may be illiquid. Most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day. Such position limits may affect the Fund's ability to maintain positions or prevent liquidation of positions, which could adversely affect the Fund.
- The Fund may use derivative instruments, such as swaps, participation notes, equity swaps, and zero strike calls and warrants, to gain economic exposure (whether long or short) to a particular underlying security. La Plata cannot control when a derivative transaction will be terminated. Any such termination may occur at a time that is disadvantageous to the Fund and may adversely affect the Fund and Fund Investors.
- Although clearinghouses and exchanges are being developed, there is currently no exchange market on which to close out an open swap position or other derivative transaction. The Fund could experience losses and delays in closing a derivative transaction. The occurrence of any such event could subject the Fund to substantial losses.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which the Fund does business may default on their obligations. For example, the Fund may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- The Fund may invest in securities of non-U.S., private and government issuers. The risks of these investments include: political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.

- La Plata may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. La Plata also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for the Fund when the Fund could make a profit or avoid losses.
- The Fund may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- The Fund may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. La Plata is not obligated to hedge the Fund's portfolio positions, and it frequently may not do so.
- The Fund may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit, or increase losses.
- The Fund may sell securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to the Fund and Fund Investors.
- The Fund may acquire a large position in an issuer's securities but the Fund nevertheless is unlikely to have any control over the issuer's management. In addition, if the Fund holds a large position in an issuer's securities, it could depress the market for those securities.
- Some of the Fund's positions may be or become illiquid, in which case the Fund may not be able to sell such positions.
- The Fund may invest in restricted securities that are subject to long holding periods or are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly-traded.
- The Fund's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which the Fund has invested may cause significant losses.
- La Plata and its affiliates and agents generally are not responsible to the Fund for losses incurred by the Fund unless the conduct resulting in such loss breached certain standards of care La Plata owed to the Fund.
- If the assets of the Fund grow too large, it may adversely affect performance, because it may be more difficult for La Plata to find attractive investments as the amount of assets that it must invest increases.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that La Plata must devote to regulatory compliance, to the detriment of investment activities.

- La Plata and its affiliates may spend time on activities that compete with the Fund without accountability to the Fund, including investing for their own accounts. If La Plata receives better compensation and other benefits from managing other assets compared to managing the Fund, it has incentive to allocate more time to those other activities. These factors could influence La Plata not to make investments on the Fund's behalf even if such investments would benefit the Fund.

The above is only a brief summary of some of the important risks that the Fund, and therefore a Fund Investor, may encounter. Before deciding to invest in the Fund, a prospective Fund Investor should consider carefully all of the risk factors and other information in the Fund's Governing Documents.

**The Fund has broad and flexible investment authority. La Plata may have other investment strategies or methods of analysis, or engage in other activities, than those described herein. The foregoing list of risk factors is not an exhaustive explanation of the risks involved in an investment the Fund. It is critical that investors refer to the relevant Fund's Governing Documents for a more complete understanding of the Fund's investment objectives and strategies. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents.**

**An investment in the Fund may be deemed speculative and is not intended as a complete investment program. There can be no assurance that the investment objective of the Fund will be achieved. The Fund is designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Fund.**

## **Item 9 – Disciplinary Information**

La Plata and its employees have not been involved in any disciplinary events that require disclosure in response to this Item 9.

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

La Plata is in the process of registering with the Commodity Futures Trading Commission and the National Futures Association as a commodity pool operator. La Plata is currently exempt from registration as a commodity trading advisor.

La Plata and its management persons have no other relationships or arrangements with any related persons that are material to La Plata's advisory business or the Fund.

## **Item 11 – Code of Ethics**

La Plata has adopted a Code of Ethics in compliance with Rule 204A-1 under the Advisers Act which establishes standards of conduct for La Plata's supervised persons. The Code of Ethics includes general requirements that La Plata's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report any violations of the Code of Ethics promptly to La Plata's Chief Compliance Officer. Each supervised person of La Plata receives a copy of the Code of Ethics and any amendments to it, and must acknowledge in writing having received the materials. Periodically, each supervised person must certify that he or she complied with the Code of Ethics. Personnel who fail to observe the Code of Ethics and related compliance policies risk serious sanctions, including dismissal and personal liability.

Under the Code of Ethics, La Plata and its supervised persons may buy, sell or otherwise invest in securities for their own accounts that they also recommend to the Fund. Each such transaction is separately identified and made strictly in accordance with the Code of Ethics. In order to manage this conflict of interest, the Code of Ethics generally requires supervised persons of La Plata to obtain prior written approval before engaging in all reportable security transactions in their personal accounts. Such transactions will be reviewed in the best interests of the Fund and will be denied if there is risk of potential adverse consequences to the Fund. Such transactions may also include trading in securities in a manner that differs from or is inconsistent with advice given to the Fund.

The Code of Ethics requires pre-approval of certain political contributions to government officials. Political contributions to government officials by La Plata personnel above a de minimis threshold need to be reported to, and pre-approved by, the Chief Compliance Officer. This policy is designed to curtail the influence of "pay-to-play" based on political contributions to government officials who influence or control how government funds, such as state pension plans, invest. The Code of Ethics also requires notice and approval for gifts and entertainment that La Plata personnel receive from third-parties with which La Plata or the Fund conduct business. All gifts or entertainment above a de minimis amount must be reported to and approved by the Chief Compliance Officer.

La Plata serves as the investment adviser to the Fund. La Plata, its employees, affiliates or their related persons may also invest directly in the Fund. The fact that La Plata, its employees, affiliates or their related persons have a financial ownership interest in the Fund creates a potential conflict in that it could cause La Plata to make different investment decisions than if they did not have such a financial ownership interest. Further, La Plata or its affiliates charge the Fund fees based on a percentage of assets under management and receive allocations based on performance. The management fee is payable without regard to the overall success or income earned by the Fund and therefore may create an incentive on the part of La Plata to raise or otherwise increase assets under management to a higher level than would be the case if La Plata were receiving a lower or no management fee. The receipt of performance-based allocations by La Plata or its affiliates may create an incentive for La Plata to make investments for the Fund that are riskier or more speculative than it otherwise would.

Furthermore, La Plata and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the existing Fund and/or may involve substantial time and resources of La Plata. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of La Plata and its affiliates are not devoted exclusively to the business of the existing advisory clients (i.e., the Fund), but are allocated between the business of the existing advisory clients and the management of the monies of future funds and accounts managed by La Plata. La

Plata uses its best judgment to be fair and equitable to all advisory clients to minimize this conflict of interest.

Fund Investors and prospective Fund Investors may obtain a copy of La Plata's Code of Ethics by contacting La Plata's Chief Compliance Officer, Brian Lupien, at (509) 987-5250.

## **Item 12 – Brokerage Practices**

All brokerage commissions and related transaction costs are borne directly by the Fund and indirectly by the Fund Investors.

La Plata has complete discretion in selecting the broker or futures commission merchant that it uses for Fund transactions and the commission rates that the Fund pays such brokers and futures commission merchants. Brokerage transactions for the Fund are executed by brokers, dealers and futures commission merchants generally selected by La Plata on the basis of best execution. In determining whether a particular broker, dealer or futures commission merchant will provide best execution, La Plata primarily considers the net price for that transaction, although it may also consider other factors, such as:

- special execution capabilities;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- order of call;
- efficiency of execution and error resolution; and
- the availability of stocks to borrow for short trades.

For any particular transaction, La Plata may cause the Fund to pay a broker a commission in excess of that which another broker might charge for effecting the same transaction. In all cases though, La Plata will determine in good faith that such commission is reasonable in relation to the value of the collective services that a broker provides, usually viewed in terms of La Plata's overall responsibilities to the Fund.

Subject to seeking best execution, La Plata may also consider referrals of potential investors to the Fund as a factor in the selection of brokers. This creates a potential conflict of interest in that La Plata may have an incentive to select a broker based on its interest in receiving referrals of potential Fund Investors rather than on the Fund Investors' interest in receiving most favorable execution.

La Plata addresses these conflicts of interest by evaluating the trade execution services that La Plata receives from the brokers and futures commission merchants that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. La Plata considers, among other things, alternative market makers and market centers, the quality of execution services, the value of adding or removing brokers or futures commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

La Plata does not currently use "soft dollars," but may do so in the future.

La Plata does not permit Fund Investors to direct brokerage.

Because La Plata's sole client is currently the Fund, La Plata does not aggregate the purchase or sale of securities for multiple accounts.



### Prime Brokerage and Custodian Considerations

Some of the factors that La Plata may considers when choosing a prime broker and/or custodian include:

- price;
- margin requirements;
- clearance;
- settlement;
- reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- order of call;
- offering to La Plata's online access to data regarding client accounts;
- the availability of stocks to borrow for short trades;
- custody; and
- recordkeeping and similar services.

La Plata has retained certain prime brokers and custodians pursuant to prime brokerage agreements entered into between the Fund and each applicable firm. Each agreement contains provisions that limit the prime broker's liability to the Fund and under which the Fund must indemnify that broker. La Plata may replace any of these firms or appoint additional prime brokers and custodians at any time.

### **Item 13 – Review of Accounts**

William A. Lupien, principal owner of La Plata and portfolio manager, oversees the development and implementation of the investment strategies that La Plata employs on behalf of the Fund. He may consider information from a variety of sources, including economic developments, current events and other research, in making determinations about the Fund's investments.

Further, the Chief Compliance Officer periodically reviews the Fund's investments to ensure consistency with applicable law and regulations and with stated investment guidelines and objectives.

La Plata furnishes to the Fund Investors as soon as practicable, and in any case within 120 days, after the end of each fiscal year an annual report containing audited financial statements examined by the Fund's independent auditor. Fund Investors also receive after the end of each quarter a report indicating the performance of the relevant Fund for that quarter. All such reports are written.

La Plata also supplies Schedules K-1s and other applicable tax information to Fund Investors.

Representatives of La Plata may be made available for discussions with Fund Investors on a periodic or agreed upon basis.

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

La Plata does not currently make cash or other payments in return for Fund Investor solicitations.

La Plata reserves the right to enter into written arrangements with third parties to act as solicitors or placement agents for La Plata's investment advisory business, including the sale of Fund interests or shares. Compensation for such solicitors and placement agents may be payable out of the fees and allocations payable or made to La Plata and its affiliates, and generally will not increase the fees and allocations payable by Fund Investors. All such compensation would be fully disclosed to each affected Fund Investor consistent with applicable law.

Solicitors and placements agents that solicit Fund Investors on behalf of the Fund may be entitled to receive placement fees in respect of interests or shares sold by it equal to a percentage of the management fees and the performance-based allocation received by La Plata. As a result, solicitors and placement agents have a substantial financial interest in selling interests and shares in the Fund to its clients and others. Such placement fees may vary depending on the arrangements between the Fund and the solicitor or placement agent.

La Plata may also receive Fund Investor referrals from the Fund's brokers. See Item 12 for the potential conflicts of interest such referrals may create.

## **Item 15 – Custody**

La Plata or its affiliates are deemed to have “custody” of the assets of the Fund within the meaning of Rule 206(4)-2 under the Advisers Act because La Plata serves as general partner of the Fund.

All Fund assets are generally held in an account at a qualified custodian.

To comply with Rule 206(4)-2 under the Advisers Act, the Chief Compliance Officer will ensure that the Fund is audited annually by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, and that the results of the annual audits are distributed to each Fund Investor within 120 days of the Fund’s fiscal year end. Fund Investors should carefully review the audited financial statements of the Fund upon receipt. If a Fund Investor has invested in the Fund and has not received such financial statements in a timely manner, such Fund Investor should contact Brian Lupien immediately.

## **Item 16 – Investment Discretion**

La Plata has full discretionary authority to manage the investments of the Fund in accordance with the Fund's Governing Documents. The authority to make all investment decisions, including the selection of securities and execution, is entrusted to the complete discretion of La Plata. Accordingly, no prospective Fund Investor should invest in the Fund unless such Fund Investor is willing to entrust all aspects of the management of the Fund's investments to La Plata.

As explained in Item 4 above and pursuant to the Governing Documents, the Fund Investors generally do not have the ability to impose limitations on La Plata's discretionary authority.

Prospective Fund Investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant Governing Documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Fund Investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the Fund Investor, enforceable in accordance with its terms, and a limited partnership agreement.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

La Plata has a fiduciary obligation to the Fund to vote proxies with respect to securities held in the Fund's accounts in the Fund's best interests. La Plata has therefore adopted and implemented policies and procedures that are reasonably designed to (i) ensure that La Plata votes proxies in the best interests of the Fund, (ii) disclose to Fund Investors information about these policies and procedures, and (iii) disclose to Fund Investors how they may obtain information on how La Plata has voted the Fund's proxies. These policies and procedures also contain record-keeping requirements in regard to proxy voting as required by law.

La Plata decides whether to vote proxies on behalf of the Fund after considering whether the proposal will have a material effect on the Fund's investment strategy. In determining whether a proposal serves the Fund's best interests, La Plata considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

La Plata abstains from voting proxies when La Plata believes that it is appropriate to do so. If a material conflict of interest over proxy voting arises between La Plata and the Fund, La Plata will vote all proxies in accordance with the policy described above.

If it is determined, however, that a conflict of interest or potential conflict of interest is material and does not adequately address the conflict of interest, the Chief Compliance Officer will work with appropriate personnel to agree upon a method to resolve such conflict before voting proxies affected by the conflict.

Fund Investors are not permitted to direct how proxies will be voted in a particular solicitation.

A Fund Investor can obtain a copy of La Plata's proxy voting policy and a record of votes cast by La Plata on behalf of the Fund by contacting the Chief Compliance Officer, Brian Lupien, at (509) 987-5250.

## **Item 18 – Financial Information**

La Plata does not require or solicit prepayment of fees six months or more in advance.

La Plata is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Fund.

La Plata has not been the subject of a bankruptcy petition at any time during the past ten years.