

## **Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of BATTERY GLOBAL ADVISORS, LLC (“Battery Global Advisors” or “BGA”). If you have any questions about the contents of this brochure, please contact us at 617-948-3800 or by email at [info@batteryglobaladvisors.com](mailto:info@batteryglobaladvisors.com). 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. The fact that Battery Global Advisors is a “registered investment adviser” does not imply a certain level of skill or training.

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

March 27, 2014

## **Item 2 – Material Changes**

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### **Annual Update**

Item 2 of this Firm Brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The following are the material changes that have occurred since our previous brochure dated March 22, 2013:

Assets under management and/or advisory increased from \$652mm as of December 31, 2012 to \$728.7mm as of December 31, 2013. Please see Item 4 for additional details.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of this Firm Brochure, please contact us by telephone at 617-948-3800 or by email at [info@batteryglobaladvisors.com](mailto:info@batteryglobaladvisors.com).

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## Item 4 - Advisory Business

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### Firm Description

Battery Global Advisors, LLC, a Delaware limited liability company, was founded in 2006.

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### Principal Owners

John O'Connor is the principal owner of BGA.

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### Types of Advisory Services

Battery Global Advisors provides personalized confidential financial planning, investment management and family office services to high net worth individuals ("Family Office Clients"). Advice to Family Office Clients is provided through consultation with such client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Battery Global Advisors also manages and provides investment advisory services on a discretionary basis to private pooled investment funds (each, a "Private Fund" and collectively the "Private Funds").

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### Tailored Relationships

Our advisory services are highly tailored to each Family Office Client, depending on the goals and objectives of each client. Family Office Clients may impose restrictions on investing in certain securities or types of securities.

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### Amounts Under Management

As of December 31, 2013, Battery Global Advisors manages or advises on approximately \$728.7 million in assets (including uncalled commitments of BGA Horizon Fund, LLC) for approximately 29 clients, including the eight series within BGA Horizon Fund, LLC (refer to Item 8 for a description of BGA Horizon Fund, LLC). Approximately \$410.5 million is managed on a discretionary basis, including \$379.0 million in the Private Funds and \$31.4 million from Family Office Clients. Approximately \$318.2 million is managed or advised on a non-discretionary basis.

## Item 5 - Fees and Compensation

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### Description

**Family Office Clients.** Each Family Office Client enters a Wealth Management and Investment Advisory Services Agreement with BGA (an "Agreement") that describes the terms upon which the annual management fee ("Client Fee") is calculated on a quarterly basis. The terms, which are

negotiated based on each Family Office Client's investable assets and desired service level, are as follows:

- 1.00% on the first \$5,000,000;
- 0.75% on the next \$5,000,000 (from \$5,000,001 to \$10,000,000);
- 0.50% on the next \$40,000,000 (from \$10,000,001 to \$50,000,000); and
- 0.25% on the investable assets above \$50,000,000.

Family Office Clients receive a full credit against their Client Fee in an amount equal to the management and other fees paid by the client in the prior quarter to Private Funds, eliminating BGA's incentive to recommend the Private Funds over other potentially more suitable investments.

**Private Funds.** Battery Opportunity Fund, LLC, Battery Alternative Income Fund, LLC and Battery Uncorrelated Fund, LLC charge management fees quarterly in arrears and do not have performance fees. In Battery Alternative Income Fund and Battery Uncorrelated Fund, the management fee is a fixed percentage of assets under management. Battery Opportunity Fund charges an annual management fee equal to a percentage of assets under management that declines as net contributions by the investor (or group of affiliated investors) increases.

Net contributions are an investor's March 31, 2011 capital account balance, plus subsequent contributions to the fund, less subsequent withdrawals, excluding any appreciation or depreciation of the investor's capital account.

BGA Horizon Fund, LLC may charge an administration fee and/or an acquisition fee, determined separately for each series. An administration fee is charged periodically throughout the life of a series and is typically calculated as a fixed percentage of assets under management or committed capital. An acquisition fee is a fixed dollar amount or fixed percentage of committed capital.

Full details of the calculation of management and other fees charged by the Private Funds are available in the Private Funds' confidential private placement memoranda and other legal documents. While BGA may, in its sole discretion, waive all or part of the Private Fund management, administration and acquisition fees from time to time with respect to certain investors in those funds, BGA does not typically do so.

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## **Fee Billing**

Client Fees are billed quarterly in advance, meaning that BGA invoices Family Office Clients at the beginning of the three month period covered by the invoice. Payment in full is expected upon invoice presentation. Client Fees are not automatically deducted, and are typically paid by the Family Office Client upon receipt of an invoice.

Family Office Clients may, upon request, obtain a refund of fees paid in advance if the Family Office Client's Agreement is terminated prior to the end of the quarter. Refunds will be calculated on a pro rata basis based on time elapsed during the quarter up until termination.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. Please refer to Item 12 of this brochure for more information about BGA's brokerage practices.

Mutual funds, ETFs and investments in private funds recommended by BGA generally charge management fees and/or performance fees. These fees are disclosed in the relevant document (prospectus, private placement memorandum, etc.) for the investment.

Each Private Fund managed by BGA pays its direct operating expenses that include, among other things: brokerage commissions, borrowing charges on securities sold short, management fees and expenses charged by any underlying funds, custodial fees, database subscriptions and investment data, legal, accounting and audit fees and expenses, tax-preparation fees, governmental fees and taxes, bookkeeping and other professional fees, travel and travel-related expenses in connection with certain of the fund's activities, costs of fund reporting, costs of fund governance activities (such as obtaining member consents if and when necessary and appropriate), costs and expenses associated with negotiating and entering into contracts and arrangements in the ordinary course of the fund's business, costs and expenses of third party administrators retained for fund purposes, costs and premiums of any fidelity and performance bonds and manager liability and errors and omission insurance coverage, extraordinary expenses of the fund such as litigation costs, and all other reasonable expenses related to the operation of the fund and/or the purchase, sale or transmittal of fund assets.

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**Past Due Accounts and Termination of Agreement**

An Agreement may be terminated at any time by either party upon receipt of written notice to terminate to the other. Upon termination of the Agreement, the balance (if any) of the Family Office Client's unearned fees shall be refunded to the Family Office Client and the balance (if any) of BGA's earned fees shall be charged to the Family Office Client.

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

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### **Sharing of Capital Gains**

BGA does not directly charge fees based on a share of the capital gains or capital appreciation of managed securities. However, certain private funds that BGA recommends to its clients may charge performance-based fees that are ultimately paid by the client.

## **Item 7 - Types of Clients**

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### **Description**

Battery Global Advisors provides personalized confidential financial planning and discretionary and nondiscretionary investment management to high net worth individuals.

Battery Global Advisors also provides investment advisory services and portfolio management on a discretionary basis to private pooled investment funds.

### **Account Minimums**

The Private Funds, excluding BGA Horizon Fund, LLC, have minimum initial and subsequent investment amounts. Such amounts are not consistent across all of the Private Funds, and may be waived in BGA's discretion. Such minimums are described in detail in each Private Fund's private placement memorandum. Minimums for BGA Horizon Fund, LLC may be determined separately for each series.

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

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### **Methods of Analysis and Investment Strategies**

#### **Family Office Clients**

Wealth management and advisory services provided to Family Office Clients vary depending on the particular client's needs. Most Family Office Clients seek ongoing in-depth advice and life planning with respect to their assets. This typically involves a detailed review and analysis of all aspects of the client's financial affairs, including the near-term, medium-term and long-term needs and investment objectives of the client and his or her family members.

BGA works with each Family Office Client to identify goals and establish objectives designed to reach those goals. BGA helps the client implement and review these goals and objectives on an ongoing basis and may recommend modifications to address changes in the client's circumstances, the investment environment, applicable regulations (including tax) and other matters relevant to the client's overall plan. A Family Office Client's

Agreement may also set forth certain investment restrictions that will inform the advice provided by BGA.

### **Private Funds**

#### *Battery Opportunity Fund, LLC*

The Battery Opportunity Fund uses an endowment style approach to investing in global capital markets. The objective of the fund is to exceed US and world equity market returns, while minimizing risk and volatility. Similar to endowments, the fund takes a long-term, growth-oriented approach and is managed to optimize risk and return objectives through asset allocation and investment selection. A significant portion of the fund is generally expected to be invested in separately managed accounts and pooled investment vehicles, including hedge funds (“Underlying Funds”) that are managed by investment managers that are not affiliated with BGA (“Investment Managers”). The Battery Opportunity Fund’s investment strategy is based on three fundamental elements: (i) asset allocation; (ii) investment selection; and (iii) portfolio monitoring and rebalancing.

- i. Asset Allocation – the fund is designed to provide investors exposure to multiple asset classes through a single fund. Asset classes in which the fund may invest include, but are not limited to, the following: cash and fixed income securities; domestic, international and emerging market equities; high-yield, distressed and emerging market debt; absolute return; natural resources and commodities; and real estate.
- ii. Investment Selection – the fund may invest in a wide range of instruments and investment vehicles with a variety of investment styles and strategies including without limitation: long only, long/short equity, relative value and other hedge funds; exchange traded funds; derivatives; and direct investments (long and short).
- iii. Portfolio Monitoring and Rebalancing – BGA regularly reviews portfolio allocations, market volatility and asset class correlations and frequently rebalances the fund’s portfolio as it deems appropriate and consistent with the fund’s risk and return objectives.

BGA uses a broad range of data and analysis, including information provided by third parties, to establish asset allocation targets for the fund and to identify and evaluate potential fund investments. In selecting Investment Managers with whom to invest and deciding whether to continue an investment in an Underlying Fund, BGA collects, analyzes and evaluates a wide variety of information including, but not limited to investment styles, strategies and historical performance of the Investment Manager being considered, information regarding the Investment Managers’ personnel, history and background and BGA’s subjective assessment of the ability and character of a prospective Investment Manager. BGA also may enlist the services of consultants, from time to time, to assist in the evaluation of Investment Managers.



### *Battery Alternative Income Fund, LLC*

The Battery Alternative Income Fund seeks to provide investors with capital preservation and moderate current income by investing in a portfolio of diversified fixed-income investments. Typically, the fund will primarily invest directly or through other investment funds or products in certain core asset classes, including, without limitation, investment grade corporate bonds, municipal bonds, international government bonds, US Treasury securities, agency mortgage-backed securities, other asset-backed securities and cash and cash equivalents. In pursuit of its investment objective, the fund has the flexibility to also invest directly or indirectly in certain tactical asset classes, including, without limitation, bank loans, high-yield corporate bonds, master limited partnership interests, real estate investment trusts, non-agency mortgage-backed securities, preferred stock, convertible bonds and equities, as well as in assets such as gold, Treasury Inflation Protection Securities and other investments that are expected to provide inflation protection. The fund may also invest in liquid alternative investments.

BGA evaluates potential investments among a broad range of credit sectors, industries and issuers for which the performance and future prospects have been identified by BGA as offering appropriate risk-adjusted returns for the fund. BGA expects to manage the fund so that its portfolio will provide a complement to an equity-focused investment portfolio. In selecting and monitoring fund investments BGA utilizes data and analysis generated internally and information provided by third parties.

### *Battery Uncorrelated Fund, LLC*

The Battery Uncorrelated Fund seeks to achieve growth of capital by utilizing a variety of strategies and instruments in pursuit of positive absolute returns that are not materially influenced by the performance of the markets for equities and interest rates. As such, BGA does not focus on any single strategy, industry or asset class.

BGA evaluates potential investments among a broad range of financial products, credit sectors, industries and issuers that we believe offer the potential for appropriate risk-adjusted returns. Potential strategies include, but are not limited to, currency trading, various fixed income and credit trading strategies, equity-neutral statistical arbitrage, catastrophe bonds, commodity trading, electricity transmission trading, risk arbitrage, structural arbitrage, and volatility relative value. The products and strategies in which the fund invests or considers making an investment may change substantially over time.

### *BGA Horizon Fund, LLC*

The BGA Horizon Fund seeks to identify, diligence and offer access to investments with strong absolute return and/or IRR potential. The fund typically invests in long lock-up investments and drawdown structures whose liquidity terms or strategy are not appropriate for other Private Funds managed by BGA. The fund consists of multiple series, each of which invests

in a single specified investment or asset. A member may choose whether or not to participate in a given series. BGA is not obligated to offer participation in a given series to members of other series. Each series is effectively its own fund; however, the series share certain fund-level expenses (e.g. audit fee) and utilize the same legal documents.

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**Investment Risks, Including Risk of Loss**

Investing in securities and other obligations involves a substantial risk of loss that BGA clients and investors in the Private Funds should be prepared to bear. There can be no assurance that a client's investment objective can or will be achieved. Investment advice to Family Office Clients is tailored to each such client's specific goals and objectives. Therefore, the risks borne by each Family Office Client may vary. In addition, each of the Private Funds involves certain distinct investment risks.

The primary risks inherent in the investment strategies employed or recommended by BGA are as follows:

- **Market and Economic Conditions Risk** – Markets in which a client may invest are subject to fluctuations, and the market value of any particular investment may be subject to substantial variation. A client's investments will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of a client's investments. Volatility or illiquidity could impair the profitability of an investment or result in losses. A client may maintain trading positions that can be adversely affected by the level of volatility in the financial markets. In addition, volatile markets and credit risk may give rise to the risk of default by one or more large financial institutions that are dependent upon one another for liquidity and operational needs, and a default by one such institution may cause a series of defaults by others, including counterparties, the brokers and other institutions to which a client has exposure, which could in turn adversely affect the client.
- **Non-diversification** – A client's investment portfolio may, from time to time, be invested in the securities of a limited number of issuers, some of which may be within the same industry sector, in which case the portfolio may be more susceptible to any single economic, political or regulatory occurrence than the portfolio securities of a diversified investment company.
- **Investments in Illiquid Securities** – A client may be invested in securities for which there are not significant trading markets or no markets at all. Such investments may be illiquid and involve a high

degree of business and financial risk which can result in substantial losses. In addition, the Underlying Funds in which the Battery Opportunity Fund invests may be illiquid or have restrictive withdrawal rights, or may hold illiquid investments as portfolio securities, which may limit the ability of such fund to dispose of such interests at times and prices that are favorable to the fund.

- **Complex Investments** – In managing the Private Funds, BGA may engage in a wide range of investment and trading strategies (described in greater detail in the Private Funds' respective private placement memoranda) to seek to hedge market risks to enhance potential gain. BGA may also recommend the same or similar hedging strategies to Family Office Clients. These investments are complex and involve a high degree of risk. There can be no assurances that any hedging strategies used or recommended by BGA will be successful in avoiding losses or generating gains. Furthermore, no assurance can be given that BGA will employ or recommend any hedging strategies with respect to all or any portion of a Private Fund's assets.
- **Investments in Non-US Issuers** – Investments in the securities of issuers located outside the US and securities issued by US entities with substantial foreign operations can involve additional risks relating to political, economic or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies, withholding or other taxes; trading, settlement, custodial and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make non-US investments, especially those in emerging markets, more volatile and potentially less liquid than US investments.

Certain additional risks that relate more particularly to the Battery Opportunity Fund include:

- **Broad Investment Strategy** – The fund invests in a broad range of asset classes, geographies, strategies and sectors. Identifying and participating in attractive investment opportunities and balancing investments across multiple asset classes, geographies, strategies and sectors over a long-term investment horizon is difficult. Many investment decisions made by BGA will be dependent upon its ability to obtain relevant information from multiple sources (including non-public sources) and BGA will often be required to make decisions without complete information or in reliance upon information provided by third parties that BGA has little or no means of independently verifying. There is no assurance that the fund's asset allocation strategy will be successful or that the fund's investments will be profitable.
- **Investing in Underlying Funds** – Identifying the appropriate Investment Managers and suitable Underlying Funds is difficult and involves a high

degree of uncertainty. While BGA will assess potential Investment Managers and Underlying Funds in light of both objective information (such as historical performance data) and subjective information, there can be no guarantee that BGA's assessment of any Investment Manager or Underlying Fund will be accurate or that such information will provide any indication as to how an Underlying Fund will perform in the future. In addition, BGA will not have control over the management of the Underlying Funds, and the success of investments in Underlying Funds generally will depend on the ability of the Investment Managers as well as the overall direction and volatility of the markets in which they invest.

Certain additional risks that relate more particularly to the Battery Alternative Income Fund include:

- **Credit Risks and Exposures** – The fund has exposure to credit risk and specific product risk. The fund's investments in fixed income securities may involve risk exposure tied to the credit risk of the obligors on the purchased securities, which is determined by the obligors' ability to make required interest and principal payments. Any event that causes excessive defaults in the purchased securities could materially and adversely impact the fund's result of operations and financial condition.
- **Interest Rate Risk** – The fund is subject to interest rate risk. Generally, the value of fixed rate debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Further, bank loans typically have floating interest rates that are based on spreads above LIBOR. Accordingly, fluctuations in LIBOR may affect the value of such loans.
- **Risks of Investing in Commercial Mortgage-Backed Securities** – The fund may invest in commercial mortgage-backed securities. Mortgage loans on commercial properties often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity (as a "balloon payment"), and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default on the mortgage, which would likely adversely affect payments to the fund in respect of its investment in the related commercial mortgage-backed security.
- **Risks of Investing in Residential Mortgage-Backed Securities** – Residential mortgage backed securities generally provide for prepayment of principal at any time due to, among other reasons,

prepayments on the underlying mortgage loans. The rate of prepayments affects the price and volatility of a mortgage-backed security and may have the effect of shortening or extending the effective maturity beyond what was anticipated. As a result of prepayments, the fund may be required to reinvest assets at an inopportune time resulting in a lower return. Different types of mortgage-backed securities are subject to varying degrees of prepayment risk and certain securities may face significant loss in value if prepayments differ from what is expected. Finally, the risks of investing in such instruments reflect the risks of the underlying obligors, as well as the real estate that secures the instruments.

- **Risks of Investing in Structured Securities** – The fund may invest directly or indirectly in collateralized loan obligations and similar credit-related structured products or other securities, which are subject to credit, liquidity, counterparty, correlation and interest rate risks. Any such structured securities purchased by the fund may be unrated and/or non-investment grade. In addition, as a holder of certain structured securities, the fund will have limited remedies available upon the default of the structured securities. The value of structured securities owned by the fund generally will fluctuate with, among other things, the condition (financial and otherwise) of the obligors under or issuers of the assets making up the collateral portfolio of the related structured securities, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Conditions adversely affecting the value of a structured security's collateral or its performance may adversely affect the value and performance of the related structured security. If distributions on and liquidation proceeds of a structured security's collateral are insufficient to make payments on the structured security, no other assets will be available for payment of the deficiency and following realization of the structured security, the obligations of such issuer to pay such deficiency generally will be extinguished. Structured securities' collateral may consist of high yield debt securities, loans, asset-backed securities and other instruments, which often are unrated or rated below investment grade (or of equivalent credit quality). Such investments may be speculative and inherently involve a significant amount of leverage.
- **Risks of Investing in Bank Loans** – The fund may invest a portion of its assets in loans, including stressed and distressed loans originated by banks and other financial institutions. The loans invested in by the fund may include term loans and revolving loans, may pay interest at a fixed or floating rate and may be senior or possibly subordinated. Purchasers of bank loans are predominantly commercial banks, investment funds and investment banks. There can be no assurance

that future levels of supply and demand in bank loan trading will provide an adequate degree of liquidity. In addition, the fund's investments in stressed or distressed bank loans are often less liquid than performing bank loans.

- **Risks Inherent in Low Rated and Unrated Debt Securities –** Investments in lower-quality and comparable unrated debt obligations involve a variety of risks. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse business, financial or economic conditions. The economy and interest rates can affect unrated investments differently than other investments. Issuers of high yield securities and other investments are vulnerable to real or perceived economic changes (for instance, an economic downturn or prolonged period of rising interest rates), political changes or adverse developments specific to the issuer or its industry and tend to be highly leveraged. High yield debt has historically experienced greater default rates than has been the case for investment grade securities. In the event of a default by the issuer of the debt, the fund would experience a reduction of its income and could expect a decline in the market value of the defaulted investments and may incur significant additional expenses to seek recovery. The fund may have difficulty disposing of certain high yield, high risk investments because there may be a thin or non-existent trading market for such investments. The market prices of high yield, high risk securities are subject to abrupt and erratic market movements and excessive price volatility, and the "bid-ask" spreads for such securities may be greater than normally expected. Reduced secondary market liquidity may have an adverse impact on market price and the fund's ability to dispose of a particular issue when necessary to meet the fund's liquidity needs or in response to a specific economic event such as deterioration in the creditworthiness of the issuer. The market prices of high yield securities structured as zero coupon or pay-in-kind securities are generally affected to a greater extent by interest rate changes and tend to be more volatile than securities that pay interest periodically.

The additional risk that relates more particularly to the Battery Uncorrelated Fund and BGA Horizon Fund is the "Investing in Underlying Funds" risk described in detail above.

The foregoing is only a brief summary of some of the important risks associated with the investment strategies employed or recommend by BGA of which Family Office Clients and investors in the Private Funds should be aware. As a result of these factors and other risks inherent in any investment, there can be no assurance that a client's investment objectives will be achieved, or that an investor in a Private Fund will receive any return of or on its invested capital. A more detailed discussion of the risks relating to an

investment in a Private Fund is provided in such fund's private placement memorandum. Prospective investors in a Private Fund should carefully review the private placement memorandum for such fund and should be satisfied that an investment in such Private Fund is suitable for them in light of their circumstances, their investment objectives and their financial situation.

## **Item 9 - Disciplinary Information**

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### **Legal and Disciplinary**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of BGA's advisory business or the integrity of its management persons.

- A. Not applicable
- B. Not applicable
- C. Not applicable

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

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- A. Broker-Dealer – not applicable
- B. Financial Industry Activities – not applicable
- C. Affiliations
  - 1. Not applicable
  - 2. BGA manages several Private Funds. Since BGA's clients include both high net worth individuals and the Private Funds, BGA has an incentive to recommend its own Private Funds to its Family Office Clients over other potentially more suitable investments. BGA addresses this potential conflict by giving its Family Office Clients a full credit against their Client Fees in an amount equal to the management and other fees they pay to the Private Funds.
  - 3. Not applicable
  - 4. BGA is a commodity pool operator that has not registered as a commodity pool operator with the CFTC or become a member of the NFA because it relies on CFTC No-Action Letter No. 12-38 and the exemption pursuant to CFTC Rule 4.13(a)(3).
  - 5. Not applicable
  - 6. Not applicable
  - 7. Not applicable
  - 8. Not applicable

9. Not applicable
10. Not applicable
11. Battery Management Corp., the management company for the Battery Ventures family of venture capital funds (“BMC”), provided capital to fund the formation and initial operation of Battery Global Advisors, and the owners of BMC, collectively, own a material portion of the equity interests in BGA. Battery Global Advisors sub-leases office space from BMC and has entered into a Service Agreement with BMC pursuant to which BMC provides certain administrative and infrastructure support to BGA. In addition, BGA personnel interact with BMC personnel in a variety of contexts. Battery Global Advisors recognizes that these arrangements and interactions may create the potential for conflicts of interest between BMC, its personnel, or its clients, on the one hand, and BGA, its personnel, or its clients, on the other hand. Accordingly, BGA has established certain policies and procedures to limit such conflicts of interests and to identify and resolve in the favor of its clients any actual conflicts of interest that may arise as a result of these arrangements and interactions. Among other things, these policies and procedures are designed to ensure that BGA’s investment decisions and recommendations for clients are made independently from BMC and to control the sharing of information between BGA and BMC.

D. Compensation for Referrals – not applicable

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

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### **A. Code of Ethics**

BGA, its members and employees (collectively, “BGA Personnel”) have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. BGA will distribute the Code of Ethics to BGA Personnel upon the commencement of employment or engagement with BGA. All BGA Personnel are required to acknowledge that they have received, read, understood, and agree to comply with the Code of Ethics. The following are the main points addressed in the Code of Ethics:

1. BGA and BGA Personnel should comply with applicable federal securities laws and the rules governing the capital markets. BGA Personnel are expected to act with competence, dignity, integrity and in an ethical manner, and are expected to use reasonable care and exercise independent professional judgment.



2. BGA Personnel should preclear personal trading in reportable securities. BGA's preclearance rules are summarized in Item 11D. below.
3. BGA Personnel are required to submit quarterly reports regarding personal reportable securities transactions and newly opened personal trading accounts, as well as annual holdings reports regarding reportable securities holdings and all existing personal trading accounts. Initial holdings reports are required from BGA Personnel within 10 days of attaining such status.

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**B. Recommending Securities in which BGA has a Material Financial Interest**

BGA manages several Private Funds in which BGA solicits investments from its Family Office Clients. This creates a potential conflict of interest in that BGA has an incentive to recommend its own Private Funds to its Family Office Clients over other potentially more suitable investments due to the fees BGA earns on amounts invested in the Private Funds. BGA addresses the potential conflict of interest by giving its Family Office Clients a full credit against their Client Fees in an amount equal to the management and other fees they pay to the Private Funds.

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**C. Participation or Interest in Client Transactions**

Investment opportunities that BGA determines are appropriate for one or more Private Funds (excluding BGA Horizon Fund, LLC) will first be made available to such Private Fund(s) and second, to the extent of any remaining amount of such investment opportunity, to Family Office Clients, either individually or via a BGA Horizon Fund, LLC series. Thereafter, BGA Personnel may participate in any remaining amount of the investment opportunity, if desired, subject to the rules described in Item 11D. below. In certain cases, BGA may reserve a limited amount of capacity in a BGA Horizon Fund, LLC investment for employees and for certain strategic non-clients.

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**D. Personal Trading**

BGA Personnel are required to preclear trades in reportable securities. Preclearance requests for less than 1% of average daily trading volume are, subject to certain restrictions, automatically approved by BGA's compliance system because trades of this small size do not materially impact market conditions for a given security. Preclearance requests for greater than 1% of average daily trading volume must be approved by BGA's Compliance Team, and are only valid for the date submitted. BGA's Chief Compliance Officer and Assistant Chief Compliance Officer approve each other's preclearance requests where required.

## **Item 12 - Brokerage Practices**

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### **Selecting Brokerage Firms**

Subject to the terms of any client's agreement with BGA, BGA has complete discretion in deciding what brokers and dealers client accounts will use and in negotiating the rates of compensation that clients will pay. In addition to using brokers as "agents" and paying commissions, client accounts may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Agreements with Family Office Clients typically provide that the client may instruct BGA to use a particular broker-dealer to effect certain brokerage transactions for such client (a "Directed Brokerage" arrangement). In a Directed Brokerage arrangement, BGA may be unable to achieve most favorable execution of client transactions. Such arrangements may cost clients more money for several reasons, including higher commissions and an inability to aggregate orders.

In selecting brokers and dealers, BGA seeks the most favorable execution terms reasonably available. To make this determination, BGA may consider such factors as the ability to effect the transactions, the broker-dealer's facilities, reliability and financial responsibility, securities pricing and transaction expenses, execution capability, confidentiality, capital commitment, and order and processing responsiveness. Selection of broker-dealers may also take into consideration a broker-dealer's effectiveness in providing market or industry information, arranging for access to an issuer's management, investment vehicles or knowledgeable industry sources and the provision or payment of the costs of brokerage or research products or services.

BGA need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or the lowest markups or markdowns. Accordingly, if BGA determines in good faith that the commissions (or markups or markdowns) charged by a broker-dealer are reasonable in relation to the value of the brokerage and research products or services provided by such broker-dealer, a client may pay commissions (or markups or markdowns) to such broker-dealer in an amount greater than the amount another broker-dealer might charge.

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### **Soft Dollars**

BGA may, but currently does not, execute portfolio transactions with broker-dealers that, in connection with the execution of such transactions, provide brokerage or research services, consistent with Section 28(e) of the

Securities Exchange Act of 1934. Accordingly, BGA may receive benefits in the form of proprietary research or third party research services (including information on particular securities or individual companies, general, economic and political information, analytical and statistical data, relevant market information and market quotations utilized in connection with the analysis of securities) and in the form of superior or enhanced brokerage services (including clearance, settlement and custody services). These benefits are often referred to as “soft dollar” benefits. BGA may also receive soft dollar benefits in the form of brokerage services that are incidental to effecting securities transactions on behalf of client accounts, or required in connection with those transactions by applicable SEC or self regulatory organization rules. These incidental services may include post trade services, communication services and trading software confirmation services and clearance and settlement products.

If BGA uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, BGA receives a benefit because it does not have to produce or pay for the research, products or services. Also, BGA may have an incentive to select or recommend a broker-dealer based on BGA’s interest in receiving the research or other products or services, rather than on its clients’ interest in receiving the most favorable execution.

A broker-dealer is not excluded from receiving business because it has not been identified as providing research services. The investment information received from any client’s brokers and dealers may be used by BGA in servicing other investors besides that client. Where a product or service obtained with soft dollars provides both research and non-research assistance to BGA, BGA will make a reasonable allocation of the cost which may be paid for with soft dollars. In allocating costs for a particular product or service, BGA will make a good faith, fact based analysis of how it will use the product or service.

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## **Order Aggregation**

BGA may aggregate client trades when such aggregation is expected to be in the best interest of all participating clients. Clients participating in an aggregated order participate at the average share price.

## **Item 13 - Review of Accounts**

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### **Periodic Reviews**

BGA reviews each Family Office Client’s accounts and financial plans on a frequent basis. BGA generally meets with each Family Office Client at least quarterly (most typically monthly) to discuss asset allocation and other timely topics. BGA performs other reviews, such as tax, insurance and estate

planning, as needed, but typically at least annually. The Director of Financial & Estate Planning and the Director of Investments conduct the reviews. Often the Chief Investment Officer attends the reviews as well.

The Chief Investment Officer reviews the investments, performance and asset allocations of the Private Funds daily.

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**Review Triggers**

BGA reviews client accounts on an other than periodic basis as a result of a change in applicable laws, new investment information, changes in a particular client's circumstances, or upon request by a client.

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**Regular Reports**

BGA typically prepares an asset allocation schedule and summary of liquid assets for each Family Office Client's periodic review (at least quarterly, typically monthly). On an annual basis, BGA prepares a net worth statement, tax projections, estate plan summary and insurance summary for Family Office Client who request this service level. The above monthly/quarterly and annual reports are written.

For each Private Fund, BGA provides audited US GAAP year-end financial statements and Schedule K-1s to investors in the respective fund. If BGA is unable to provide Schedule K-1s by April 15<sup>th</sup>, BGA typically provides each investor with an estimate of taxable income and loss allocated to their investment. BGA has engaged a third party administrator that distributes capital account statements to investors in the Private Funds at least quarterly, but more typically monthly. BGA periodically distributes asset allocation information, performance commentary and market commentary to investors in the Private Funds in such form and with such frequency as BGA may from time to time determine. The above reports are written.

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

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**Referrals**

Not applicable.

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**Other Compensation**

Not applicable.

## **Item 15 - Custody**

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**Family Office Clients**

Accounts for which BGA has custody are held at qualified custodians. Those custodians provide account statements directly to Family Office Clients at their address of record at least quarterly. Family Office Clients should carefully review those statements. Family Office Clients may periodically

receive statements of net worth or other custom reporting from BGA, and are urged to compare reports from BGA to account statements provided by custodians, where applicable.

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**Private Funds**

BGA is deemed to have custody of the Private Funds' assets because of the authority that BGA has over those assets. BGA causes an auditor that meets the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940 to conduct an audit of each Private Fund in accordance with US GAAP and distribute the audited financial statements to all Investors in such Private Fund within 180 days after year end, provided that if any Private Fund does not invest at least ten percent of its assets in other pooled investment vehicles not advised by a related person of BGA, then the deadline of the distribution of audited financial statements for such Private Fund is 120 days after year end. BGA will also cause each Private Fund, upon liquidation, to distribute GAAP audited financial statements promptly after completion of such financial statements.

## **Item 16 - Investment Discretion**

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**Discretionary Authority for Trading**

BGA accepts discretionary authority to manage investment accounts on behalf of the Private Funds. Under these arrangements, BGA has the authority to determine, without obtaining specific consent of the investors in the Private Funds, the investments to be bought or sold, and the amount of the investments to be bought or sold on behalf of the Private Funds. The Private Funds do not currently place any limitations on this discretionary authority.

BGA has discretionary authority over certain of its Family Office Client accounts. Family Office Clients may place any limits they desire over such discretion. In most cases, Clients grant BGA discretion in order to facilitate timely rebalancing and tactical trading in investments that have been previously discussed and agreed upon – BGA does not maintain a separately managed account program wherein identical investments are held across a designated group of client accounts.

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**Assumption of Authority**

In order for BGA to assume discretionary authority over investments in its Private Funds, investors in the Private Funds sign a limited power of attorney by execution of the applicable Private Fund's limited liability company agreement. For Family Office Clients, a limited power of attorney granting discretionary authority (and identifying the specific accounts for which the discretionary authority is granted) is included in the Agreement.

## Item 17 - Voting Client Securities

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### Proxy Voting

It is BGA's policy to vote proxies on behalf of clients where the terms of the client's agreement with BGA grant BGA the authority to do so, subject to any limitations or restrictions set forth, in the case of a Family Office Client, in the client's Agreement or, in the case of a Private Fund, the Private Fund's private placement memorandum, operating documents or other applicable disclosure documents.

At the present time, BGA does not exercise voting authority with respect to securities on behalf of any Family Office Client, but will forward proxy materials to enable such client to vote on the applicable matters. If, in the future, BGA accepts authority to vote proxies on behalf of a Family Office Client, BGA's Agreement with such client will set forth the proxy voting policies and procedures applicable to that relationship.

The private placement memoranda for BGA's existing Private Funds disclaim any obligation to vote proxies relating to any public equity security. Accordingly, consistent with those disclosures, BGA generally does not vote proxies for its Private Funds, although BGA may do so in limited circumstances where BGA believes that voting is likely to result in an enhancement of the value of the investment. BGA generally does vote on matters submitted to a Private Fund for its consent or approval in its capacity as an investor in an investment fund or private company securities.

BGA reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Private Fund. As a result, depending on each Private Fund's particular circumstances, BGA may vote one client's securities differently than it votes those of another client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, BGA may determine that it is in the client's best interest to "abstain" from voting or to not vote at all, and will process such matter accordingly. Decisions on how to vote client securities will be made by BGA's Chief Investment Officer in consultation with BGA's Chief Compliance Officer as the Chief Investment Officer determines necessary or appropriate.

Any conflict of interest that may arise in connection with the voting of client securities due to business, personal or family relationships of BGA or its personnel, on the one hand, and any client, on the other hand will be discussed with BGA's Chief Compliance Officer. If a conflict of interest exists, BGA will ensure that its voting decision is in best interests of the applicable client(s) and not a product of the conflict of interest. Upon request, BGA will provide a client with a copy of its policies and procedures regarding proxy voting and class actions and, if applicable, information about how BGA voted the client's securities. Clients should direct such requests to BGA's Chief Compliance Officer.

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**Class Actions**

In the unusual circumstance that a class action lawsuit arises regarding securities held in Private Funds and other accounts that are directly managed by BGA, BGA expects that the cost of participating in such actions will most likely outweigh the benefits of participation. Therefore, in general, BGA will not participate in class actions on behalf of its clients.

## **Item 18 - Financial Information**

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**Financial Condition**

- A. A balance sheet is not required to be provided because Battery Global Advisors does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.
- B. Battery Global Advisors does not have any financial impairment that is reasonably likely to preclude BGA from meeting contractual commitments to clients.
- C. Battery Global Advisors has not been the subject of a bankruptcy petition during the past ten years.