



**Sub-Sahara**  
Capital Group LP

## **Form ADV Part 2A: Firm Brochure**

### **Sub-Sahara Capital Group LP**

March 31, 2014

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This brochure provides information about the qualifications and business practices of Sub-Sahara Capital Group LP and its affiliates (collectively “Sub-Sahara” or “Investment Manager”). If you have any questions about the contents of this brochure, please contact Jimmy Atkinson, Chief Financial Officer, at 480-689-4223 or email [jimmy@subsaharacapital.com](mailto:jimmy@subsaharacapital.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.

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

## Item 2: Material Changes

On November 19, 2013, Sub-Sahara filed its initial application to register as an investment adviser with the SEC. Accordingly, this is the first Brochure compiled by Sub-Sahara to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety.

On March 31, 2014 Sub-Sahara filed its amendment to its application to register as an investment adviser with the SEC. Sub-Sahara intends to de-register as an investment adviser with the SEC and register as an investment adviser with the State of Arizona.

In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's Brochure and that may be important to them.

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## Item 4: Advisory Business

Sub-Sahara is organized as a limited partnership under the laws of the State of Delaware. It was originally formed as a limited liability company in March 2010. Sub-Sahara Capital GP LLC, a Delaware limited liability company, serves as the general partner of Sub-Sahara. Sub-Sahara Capital GP LLC is principally owned and controlled by Richard Walter. The investment activities are led by Richard Walter, Sub-Sahara's Chief Investment Officer. A number of other investment professionals will work with Richard Walter to execute Sub-Sahara's investment strategy.

Sub-Sahara will serve as the investment manager and provide discretionary advisory services to a private investment partnership and a foreign investment company organized as a master-feeder structure (the "Fund" or collectively the "Funds") and may, in due course, create other related collective investment vehicles, including other private investment partnerships and foreign investment companies; together with any respective subsidiary investment vehicles to which it would provide similar services.

Sub-Sahara will provide discretionary investment advice to the following private investment funds: (i) SSCG Africa Opportunities Master Fund LP (the "Master Fund"), an exempted limited partnership established and registered with the Registrar of Exempted Limited Partnerships under the laws of the Cayman Islands; (ii) SSCG Africa Opportunities Fund LP, (the "Domestic Fund"), a Delaware limited partnership; (iii) SSCG Africa Opportunities Fund Ltd, (the "Offshore Fund"), an exempted company incorporated under the laws of the Cayman Islands. The Offshore Fund follows an investment program substantially similar to that of the Domestic Fund and intends to invest substantially all of its assets in SSCG Africa Opportunities Intermediate Fund LP (the "Intermediate Fund"), an exempted limited partnership established and registered under the laws of the Cayman Islands, which in turn will invest its assets in the Master Fund. Prior to commencing operations, the Master Fund will acquire a portfolio of investments from SSCG Africa Opportunities Master Fund Ltd (the "Proprietary Master Fund"), a Cayman Islands fund that served as an investment vehicle for Mr. Richard Walter and engaged in an investment program similar to the investment program that will be used by the Master Fund.

Sub-Sahara Capital Partners LLC is the general partner (the "General Partner") of the Onshore Fund, the Master Fund and the Intermediate Fund. Richard Walter, as the managing member of the General Partner, controls the General Partner.

Unless and only to the extent that the context otherwise requires, references to Sub-Sahara includes the General Partner.

The Fund's objective is to create attractive absolute returns primarily by investing in the publicly listed securities of companies deriving a majority of their business from Sub-Saharan Africa. The Fund is able to invest in all industries and countries in Africa, but there will be a focus on undervalued small cap and mid cap growth companies in Sub-Saharan Africa. Small cap companies are those with a market capitalization of less than \$2 billion and mid-cap companies have a market capitalization between \$2 and \$5 billion dollars.

Shares or limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, in private transactions within and outside the United States.

From time to time, the Funds may, to the extent permitted by the Rules of the U.S. Financial Industry Regulatory Authority (“FINRA”) as may be amended from time to time (the “Rules”), purchase equity securities that are part of an initial public offering (sometimes referred to as “IPOs” or “new issues”). Under the Rules, brokers may not sell such securities to a private investment fund, if the fund has investors who are “Restricted Persons”, which category includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, unless the fund has a mechanism in place that excludes such Restricted Persons from receiving allocations of profits from new issues. The profits and losses with respect to new issues will generally be allocated to investors in the Fund that are Unrestricted Persons.

As of January 31, 2014, Sub-Sahara has discretionary assets under management of \$31,196,074.

## **Item 5: Fees and Compensation**

### General

Sub-Sahara intends to provide investment advisory services to each of the Funds pursuant to separate investment management and/or limited partner agreements (the “Agreements”). The Agreements for each Fund, along with specific organizational documents of the Fund, set forth in detail the fee structure relevant to each such Fund. The terms of the Agreements are generally established at the time of the formation of the applicable Fund.

Sub-Sahara will typically receive compensation from fees based on a percentage of assets under management (the “Management Fee”), incentive allocations (the “Incentive Allocation”) and fees and certain other fees or expenses related to transactions (see below). Investors should review all fees charged by Sub-Sahara and others to fully understand the total amount of fees to be paid by a Fund and, indirectly, by their investors.

The Fund is currently offering, pursuant to this Memorandum, redeemable, participating, non-voting class A shares (“Class A Shares”, together with such other shares of the Fund as the Fund may issue from time to time, the “Shares”) to certain qualified investors that, if accepted, will become Shareholders upon issue of the relevant Shares and entry of the investor in to the Fund's register of members.

The Class A Shares are comprised of two series: “Series 1 Shares” and “Founders Series Shares”. The Series 1 Shares and the Founders Series Shares are identical except with respect to the Management Fee Rate and the Incentive Allocation Rate. A prospective Shareholder may purchase Series 1 Shares and Founders Series Shares. A Shareholder may not convert its Shares

one series to another without the Board of Director's consent, which may be withheld in its sole discretion.

A special series of the Founders Series Shares will be issued to a limited number of Shareholders that had previously invested in Bellman Walter Capital ("Bellman Walter"), a global long/short equity fund co-founded by Mr. Walter that was based in San Francisco and London, which closed in 2009. The terms of such special series are identical to the Founders Series Shares, except that for 2014 such special series will not be subject to the Management Fee or the Incentive Allocation.

### Management Fee

The Funds will pay to Sub-Sahara a fee for investment management services (the "Management Fee") for each fiscal quarter equal to a quarter of the applicable management fee rate ranging up to 1.5% per annum, depending on the class or series of shares, multiplied by the beginning net asset value of each capital account of an investor (before taking into account the estimated accrued Incentive Allocation, if any, or investor-related taxes that are accrued as of the applicable calculation date or have been paid during the applicable calculation period, if any) for such fiscal quarter. The Management Fee will be calculated and paid in advance but will be amortized monthly by the Fund over the quarter for which such Management Fee is paid.

The General Partner may, without the consent of the investors, cause the Management Fee to be charged to and paid by the Master Fund instead of the Domestic or Offshore Funds; provided that in such circumstances the Management Fee will not exceed the Management Fee which would be payable at the Domestic or Offshore Funds level.

In the sole discretion of the General Partner, the Management Fee may be waived, reduced or calculated differently with respect to the capital account(s) of certain investors, including, without limitation, investors that are members, partners, affiliates or employees of the General Partner or the Investment Manager, members of the immediate families of such persons and trusts or other entities for their benefit. The General Partner's capital account will not be debited with any Management Fee.

### Incentive Allocation

Generally, at the end of each fiscal year, the Funds will reallocate from the capital account of each investor to the capital account of the General Partner an incentive allocation in an amount not to exceed 15%, depending on the class or series of shares, multiplied by the net capital appreciation for such fiscal year allocated to an investor's capital account after deducting the Management Fee debited to such capital account for such Fiscal Year and prior to the deduction of any Investor-Related Taxes accrued or paid during such period; *provided, however*, that the net capital appreciation upon which the calculation of the Incentive Allocation is based will be reduced to the extent of any unrecovered balance remaining in the loss recovery account maintained on the books and records of the Funds for such investor's capital account. The Incentive Allocation will also be made with respect to amounts withdrawn and upon the dissolution of the Funds.

In the sole discretion of the General Partner, the Incentive Allocation may be waived, reduced or calculated differently with respect to the capital account(s) of certain investors, including, without limitation, investors that are members, partners, affiliates or employees of the General Partner or Sub-Sahara, members of the immediate families of such persons and trusts or other entities for their benefit.

### Expenses

The Funds will bear their own expenses and a pro rata share of the Master Fund's expenses, including, without limitation, the Management Fee; investment expenses, whether or not such investments are consummated (such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Funds (including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs); research and market data (including, without limitation, any computer hardware and connectivity hardware (*e.g.*, telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including, without limitation, fees and expenses of the Administrator); legal expenses; external accounting and valuation expenses (including, without limitation, the cost of accounting software packages); audit and tax preparation expenses; costs related to errors and omissions insurance for the General Partner and Sub-Sahara; costs of printing and mailing reports and notices; entity-level taxes (including withholding taxes); corporate licensing; regulatory expenses (including, without limitation, filing fees); organizational expenses; expenses incurred in connection with the offering and sale of the Interests; indemnification expenses; other similar expenses related to the Funds; and extraordinary expenses. Generally, Fund expenses, other than the Management Fee and any expenses which the General Partner determines in its sole discretion should be allocated to a particular investor or investors (including investor-related taxes), will be charged to the capital accounts of all the partners on a pro rata basis. To the extent that expenses to be borne by the Funds are paid by the General Partner or Sub-Sahara, the Funds will reimburse such party for such expenses.

## **Item 6: Performance Based Fees and Side-by-Side Management**

Sub-Sahara or its affiliates receive annual performance-based allocations from the Funds, which are based on a percentage of the net capital appreciation of their assets. These allocations may create an incentive for Sub-Sahara to make more speculative investments than would otherwise be made, or make decisions regarding the timing and manner of realization of investments differently than if such allocations were not received.

## **Item 7: Types of Clients**

Sub-Sahara provides investment advisory services to the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of the respective General Partner and/or Directors of each Fund and not individually to the investors. Investors in the Funds may include,

but are not limited to, high net worth individuals, family offices, fund of hedge funds, endowments, foundations, trusts, charitable organizations, pension plans, and corporate or business entities.

Details concerning applicable investor suitability criteria are set forth in the respective Fund's offering documents and subscription materials. The minimum commitment for an investor is outlined in the respective Fund's governing documents, but is generally \$1 million. However Sub-Sahara and/or its affiliates maintain discretion to accept less than the minimum investment threshold. Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth in Regulation D under the Securities Act, as amended, and a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act, as amended.

The General Partner and/or Sub-Sahara, will have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of the Fund's governing documents to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, the Funds may create additional classes for certain investors that provide for, among other things, (i) greater transparency into the Funds' portfolio, (ii) different or more favorable withdrawal rights, such as more frequent withdrawals or shorter withdrawal notice periods, (iii) greater information than may be provided to other investors, (iv) different fee or incentive compensation terms, (v) more favorable transfer rights and (vi) key-person notifications. Certain such waivers, modifications or grants of special or more favorable rights may also be effected by the Funds, and, in certain cases, Sub-Sahara, through agreements ("Side Letters"). Although certain investors may invest in the Funds with different material terms, the Funds and Sub-Sahara generally will only offer such terms if they believe other investors of the Funds will not be materially disadvantaged. The Funds may create additional classes, and the Funds, or in certain cases Sub-Sahara, may enter into Side Letters with investors without providing prior notice to, or receiving consent from, other investors.

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

### Overall Investment Strategy and Methods of Analysis

The Funds' objective is to create attractive absolute returns primarily by investing in the publicly listed securities of companies deriving a majority of their business from Sub-Saharan Africa.

The strategy of the Funds is to make long-term investments in high growth companies that will benefit from the economic development of Africa. The Funds are able to invest in all industries and countries in Africa, but there will be a focus on undervalued small cap and mid cap growth companies in Sub-Saharan Africa. Small cap companies are those with a market capitalization of less than \$2 billion and mid-cap companies have a market capitalization between \$2 and \$5 billion dollars. The valuation of these companies is expected to benefit disproportionately as their earnings grow and the market capitalization of the company increases. An increase in a company's market capitalization will also increase its trading liquidity. Improved trading liquidity widens the universe of investors able to invest in these companies, which results in higher valuation multiples. The Funds intend to prioritize investments in companies with high free cash

flows that are able to pay attractive dividends to shareholders and still grow the business. While the investment team will continually reallocate capital to investments with the best return potential, the overall turnover of the Funds is expected to be low.

The first step of the investment process is to identify attractive companies for investment through a combination of quantitative screening and recommendations from local contacts developed through the office of an affiliate of Sub-Sahara in Harare, Zimbabwe. The next step is to generate a deeper understanding of each company through management meetings, peer analysis and financial modeling. During this step, the investment team also searches for catalysts that may over time positively change other investors' perception of the company and increase its valuation. Finally, the upside potential of the company is compared to existing investments and other potential investments to decide if it should be included in the portfolio and the investment size.

While seeking to maximize absolute returns, the Funds will attempt to optimize the liquidity of its investments by giving priority to investments with greater liquidity and tempering its' small-cap company focus with other investments in highly liquid large cap companies that also have attractive returns.

The majority of the Funds' investments will consist of publicly listed equity securities that trade on African exchanges, but it may also invest in the options and warrants on publicly listed equity securities. Periodically, the Funds may invest in publicly listed companies with African businesses that trade on stock exchanges located outside of Africa. While the Funds will primarily pursue a long-only strategy, it will opportunistically enter into short sales of publically listed securities.

#### Summary of Principal Investment Risks

Investing involves substantial risks, including the risk of total loss of capital, and may not be suitable for all investors. No guarantee or representation is made that the Funds' investment program, including, without limitation, the Funds' investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of investments otherwise made by the investment professionals of the Investment Manager are not necessarily indicative of the Funds' or Sub-Sahara's future performance.

The following are certain of the principal risks associated with the investment strategies of the Funds:

**General Economic and Market Conditions.** The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), 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 the prices and the liquidity of the Funds' investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Funds may



maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

**Emerging Markets.** The Funds will invest in emerging markets in Africa. Investments in emerging markets involve a greater degree of risk than investing in developed countries. Among other things, emerging market investments may be subject to the following risks: less publicly available information; more volatile markets and unstable market conditions; changes in interest rates; availability of credit and inflation rates; less liquidity with respect to investments; uncertainty in enforceability of documents; changes in local laws and regulations (including nationalization of industries); political or economic instability (including wars, terrorist acts or security operations); the relatively small size of the securities markets in such countries and the low volume of trading and less strict securities market regulation; less favorable tax or legal provisions; price controls and other restrictive governmental actions; changes in or non-approval of tariffs or other fees or rates charged by or to portfolio companies, potential severe inflation or other serious adverse economic developments; unstable currency; expropriation of property; confiscatory taxation; imposition of withholding and other taxes on dividends, interest capital gains or other income or gross sale or disposition proceeds; fluctuations in the rate of exchange between currencies, non-convertibility of currencies which can result in the inability to repatriate funds, costs associated with currency conversion; and certain government policies that may restrict the Fund's investment opportunities. The foregoing may result in lack of liquidity and in price volatility.

**Risks Associated with Africa.** The Funds, by focusing its investments on issuers located in Africa, may be exposed to risks that funds investing in securities of issuers in other markets may not be exposed. For instance, financial, economic or political instabilities that impact countries in Africa, and in particular, the sub-Saharan countries, could impact the Funds to a larger degree than other funds that invest in securities of issuers in a broader geographical focus. Changes in economies, tax policies, high inflation rates, governmental instability, war or other political or economic factors may have an adverse effect on the Funds' investments. The Funds are highly dependent on the state of the economies of countries throughout Africa and, in particular sub-Saharan countries. Some markets in which the Funds will invest are in the earliest stages of development and are characterized as having less liquidity, fewer securities brokers and issuers and more capital market restrictions than developed markets. Markets tend to be volatile, and securities trading in these markets can quickly become illiquid and difficult to value. Certain African governments restrict or control, to varying degrees, the ability of foreign investors to invest in those countries. These restrictions may prevent or limit investments in securities of issuers located or operating in African countries. Less information may be available about companies in which the Funds invest because many companies that are tied economically to Africa are not subject to uniform accounting, auditing, and financial reporting standards or to other regulatory practices required of U.S. companies. Some countries in Africa may have relatively unstable governments, weaker economies, and less-developed legal systems with fewer security holder rights. A sub-set of African emerging market countries are considered to be "frontier markets." Frontier markets generally have smaller economies and less developed capital markets than traditional emerging markets, and, as a result, the risks of investing in emerging market countries may be magnified in frontier market countries. Any particular country in Africa may be subject to the foregoing risks in greater or lesser degrees relative to other countries in

Africa, and as a result, circumstances that may positively affect a country in Africa in which the Funds are not invested may not have a corresponding positive effect on other countries in Africa in which the Funds are invested.

**Non-U.S. Exchanges.** The Funds may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. Securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

**Impact of Catalysts.** Sub-Sahara, in analyzing a potential investment, searches for catalysts that may over time positively change other investors' perceptions of a company and increase its valuation. This aspect of Sub-Sahara's strategy depends upon Sub-Sahara's ability to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as Sub-Sahara had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. Because of the inherently speculative nature of catalyst-driven investing, the results of the Funds' operations may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

**Long/Short.** The success of the Funds' long/short investment strategy depends upon Sub-Sahara's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Funds' long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Funds' positions were to fail to converge toward, or were to diverge further from values expected by Sub-Sahara, the Funds may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Funds to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with Sub-Sahara's long/short strategies may become outdated and inaccurate as market conditions change.

### **Leverage and Borrowing:**

***Borrowing for Cash Management Purposes.*** The Funds have the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which the Funds can borrow will affect the operating results of the Funds.

***Collateral.*** The instruments and borrowings utilized by the Funds to leverage investments may be collateralized by all or a portion of the Fund's portfolio. Accordingly, the Funds may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call", pursuant to which the Funds must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Funds can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Funds may have similar rights. There can be no assurance that the Funds will be able to secure or maintain adequate financing.

***Costs.*** Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Funds' portfolio.

***Lending of Portfolio Securities.*** The Funds may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Funds will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

***Micro-, Small- and Medium- Capitalization Companies.*** Investments in securities of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

***Call Options.*** The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to

satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the Securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

**Put Options.** The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

**Other Derivative Instruments.** The Funds may attempt to hedge currency risk through foreign exchange derivative contracts, swaps and futures transactions. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. Derivatives traded over-the-counter may not have an authoritative source of valuation and the models used to value such derivatives are subject to change. Special risks may apply in the future that cannot be determined at this time with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. The regulatory and tax environment for derivative instruments in which the Funds may participate is evolving, and changes in the regulation or taxation of such Securities may have a material adverse effect on the Funds.

The descriptions of risk factors contained above are a brief overview of different market risks related to Sub-Sahara's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds. In addition, key risk areas inherent to investing also include risks related to the operations and investment activities of the Funds, risks related to specific investments, and risks related to non-U.S. and non-U.S. jurisdictions.

Investors are recommended to review the Funds' Governing Documents for a more complete discussion of the risk factors associated with the Funds.

## **Item 9: Disciplinary Information**

Neither Sub-Sahara nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item.

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

Sub-Sahara has claimed an exemption from commodity pool operator registration with respect to the offshore feeder fund pursuant to CFTC Reg 4.13(a)(3) and the General Partner also has claimed an exemption from commodity pool operator registration with respect to the onshore feeder fund and the master fund pursuant to CFTC Reg 4.13(a)(3).

Sub-Sahara Capital Partners LLC is the General Partner of the Onshore Fund, the Master Fund and the Intermediate Fund. Richard Walter, as the managing member, controls the General Partner. While the General Partner is not separately registered as an investment adviser with the SEC, all of its investment advisory activities are subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and the rules thereunder. In addition, employees and persons acting on behalf of the General Partner, if any, are subject to the supervision and control of Sub-Sahara.

Sub-Sahara utilizes the investment advisory services of its affiliate, Sub-Sahara Capital Zimbabwe, a Zimbabwe partnership (the “Subadvisor”). Sub-Sahara may, in its discretion, utilize the services of other subadvisors.

Other than the arrangements describe above, Sub-Sahara and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

### Code of Ethics

Sub-Sahara has adopted a written Code of Ethics (the “Code”) that is applicable to all employees. Among other things, the Code requires Sub-Sahara and its employees to act in the Funds’ best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Sub-Sahara’s restrictions on personal securities trading apply to employees, as well as employees’ family members living in the same household. A copy of Sub-Sahara’s Code is available upon request by contacting Jimmy Atkinson at 480-689-4223 or email [jimmy@subsaharacapital.com](mailto:jimmy@subsaharacapital.com).

### Participation or Interest in Client Transactions

Sub-Sahara, its employees or a related entity (collectively “Related Persons”), will generally have an investment in the Funds managed by Sub-Sahara. As a result, Related Persons have an interest in an investment that may also be recommended to the Funds.

### Personal Trading

Employees must obtain pre-clearance from the CCO for personal securities transactions, including IPO's, securities obtained through a private placement, and any transactions involving securities related to Sub-Sahara's primary investment strategy. Sub-Sahara may deny any proposed transaction, particularly if the transaction poses a conflict of interest or if Sub-Sahara is planning on transacting the same security at or about the same time in the Funds. Employees are also required to provide quarterly reports regarding transactions and holdings in "Reportable Securities" as defined in the Advisers Act. Employees must disclose all personal trading accounts initially upon commencement of employment and annually thereafter.

## **Item 12: Brokerage Practices**

### Selection of Brokers and Dealers

Sub-Sahara has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Funds will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Sub-Sahara and/or certain client accounts, but not beneficial to all client accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Sub-Sahara may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. A significant portion of the trading done for the Funds is done on a net basis, so in many circumstances it may not be possible to determine the amount of commission being paid to a broker or dealer. Sub-Sahara need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Sub-Sahara nor the Funds separately compensates any broker or dealer for any of these other services.

If Sub-Sahara decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another: the ease of use; the flexibility of the ECN compared to other ECNs; and the level of care and attention that will be given to smaller orders.

Sub-Sahara maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

### Capital Introduction

From time to time, brokers (including the Prime Broker) may assist the Funds in raising additional funds from investors. Additionally, brokers may provide capital introduction and marketing assistance services, and representatives of Sub-Sahara may speak at conferences and programs sponsored by the brokers, for investors interested in investing in private investment funds. Through such events, prospective investors in the Funds may encounter representatives of Sub-Sahara. Brokers may also provide other services, including, without limitation, consulting services relating to technology and office space. Although neither Sub-Sahara nor the Funds compensates brokers for such assistance, events or services, or for any investments ultimately made by prospective investors attending such events, such activities may influence Sub-Sahara in deciding whether to use such broker in connection with brokerage, financing and other activities of the Funds. Subject to its obligation to seek best execution, Sub-Sahara may consider referrals of investors to the Funds in determining its selection of brokers. However, Sub-Sahara will not commit to an investor or a broker to allocate a particular amount of brokerage in any such situation.

### Trade Errors

The Funds may on occasion experience errors with respect to trades made on its behalf. Trade errors may include, for example, (i) the placement of orders (either purchases or sales) in excess of the amount of securities the Funds intended to trade; (ii) the sale of a security when it should have been purchased; (iii) the purchase of a security when it should have been sold; (iv) the purchase or sale of the wrong security; (v) the purchase or sale of a security contrary to regulatory restrictions or Fund investment guidelines or restrictions; (vi) incorrect allocations of trades; (vii) keystroke errors that occur when entering trades into an electronic trading system; and (viii) typographical or drafting errors related to derivatives contracts or similar agreements. Trade errors may result in losses or gains. Sub-Sahara generally will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a counterparty, such as a broker-dealer, Sub-Sahara will seek to recover any losses associated with such error from the counterparty.

Sub-Sahara and its affiliates and personnel will generally not be liable to the Funds for any act or omission, absent bad faith, gross negligence, willful misconduct or fraud, and the Funds, as applicable, will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Funds, as applicable, absent bad faith, gross negligence, willful misconduct or fraud. As a result of these provisions, the Funds (and not Sub-Sahara) will benefit from any gains resulting from trade errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent bad faith, gross negligence, willful misconduct or fraud. Sub-Sahara will offset any such net gains and net losses resulting from trade errors and, in the case of net losses for which Sub-Sahara is responsible under the exculpation provisions, Sub-Sahara will reimburse the Funds for such net losses. Given the potentially large volume of transactions executed by Sub-Sahara on behalf of the Funds, investors should assume that trade errors (and similar errors) will occur and that, to the extent permitted by law and under the Governing Documents, the Funds will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Sub-Sahara's personnel.

**Item 13: Review of Accounts**

All investments will be reviewed by Sub-Sahara's investment team, which includes Richard Walter. Investments within the Funds' portfolio will be reviewed on a daily basis and Sub-Sahara investment personnel will meet regularly to discuss the portfolios of the Funds.

Sub-Sahara will provide investors with regular reports as specified in the Funds' Governing Documents. For each Fund, each investor receives audited financial statements for the Fund within 120 days after the conclusion of the Fund's fiscal year, including audited schedules of investments, balance sheets, income statements and cash flow statements.

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

Sub-Sahara does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

Sub-Sahara may periodically engage third party placement agents (i.e. solicitors) to introduce prospective investors to the Funds. The fees and expenses of any third-party placement agents will be paid by Sub-Sahara.

**Item 15: Custody**

Sub-Sahara is deemed to have custody of the Funds' assets because of the authority that Sub-Sahara and/or its affiliated entities have over those assets. The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year end.

**Item 16: Investment Discretion**

Sub-Sahara generally has discretionary authority to determine, without obtaining specific consent from the Funds or its investors, the securities and the amounts to be bought or sold on behalf of the Funds. Any limitations on such authority are included in the respective Fund's Private Placement Memorandum and Partnership Agreement.

**Item 17: Voting Client Securities**

In compliance with Rule 206(4)-6 under the Advisers Act, Sub-Sahara has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies"), in a prudent and diligent manner that will serve the applicable Fund's best interest and is in line with each Fund's investment objectives.



Sub-Sahara may take into account all relevant factors, as determined by Sub-Sahara in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned by the relevant Fund and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

In limited circumstances, Sub-Sahara may refrain from voting Proxies where Sub-Sahara believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its Funds. Generally, investors may not direct Sub-Sahara vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Funds on the one hand and Sub-Sahara or its affiliates on the other hand. If Sub-Sahara determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, Sub-Sahara will vote in accordance with its Proxy voting policies and procedures. Investors may obtain a copy of Sub-Sahara's Proxy Voting policies and its Proxy voting record by contacting Jimmy Atkinson by phone at 480-689-4223 or email at [jimmy@subsaharacapital.com](mailto:jimmy@subsaharacapital.com)

## **Item 18: Financial Information**

A balance sheet is not required to be provided as Sub-Sahara (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.