

Part 2A of Form ADV: Firm Brochure

STRENTA INVESTMENT MANAGEMENT, INC.

March 20, 2015

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This brochure provides information about the qualifications and business practices of Strenta Investment Management, Inc. (the “Adviser” or “SIM”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact Lorraine Estrada, Chief Compliance Officer at [Lorraine.Estrada@strenta-im.com](mailto:Lorraine.Estrada@strenta-im.com) or 954-217-4896 or by mail at 2400 North Commerce Parkway, Suite 104, Weston, FL 33326. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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## **Item 2. Material Changes**

There are no material changes since the last filing of SIM's Form ADV Part 2 or "Disclosure Brochure" dated May, 2014. This Disclosure Brochure was developed in response to new requirements adopted and imposed by the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

1. The revised Disclosure Brochure will be available, since our last delivery or posting of this document on the SEC's public disclosure website ("IAPD") at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact Lorraine Estrada, Chief Compliance Officer at [Lorraine.Estrada@strenta-im.com](mailto:Lorraine.Estrada@strenta-im.com) or 954-217-4896.
2. When an update is made to this Disclosure Brochure we will send you a copy including a summary of material changes, or a summary of material changes that includes an offer to send you a copy either by electronic means (email) or in hard copy form.

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### Item 4. Advisory Business

## **Firm Description**

SIM is a Delaware corporation. SIM provides investment management services to its clients, which currently consist of a single pooled master-feeder investment vehicle comprised of one feeder fund and one master fund (together, the "Funds"). SIM was formed in October 2013 solely to operate the investment advisory business and to register with the SEC. SIM has been registered with the SEC as a registered investment adviser since January 2014. SIM is owned by Strenta, Inc., which is ultimately wholly owned and controlled by the Famiriko Trust, whose Trustee is the J.P. Morgan Trust Company (Bahamas) Limited. SIM was engaged by the Funds to make the investment decisions for the Funds' assets in accordance with the Funds' confidential explanatory memorandum and articles of association (the "Governing Documents").

SIM's affiliate, Strenta Family Office Services, Inc. ("SFOS"), formerly known as Gamma Consulting, Inc., has been in business since 2003 offering family office services to entities whose ultimate beneficiaries are relatives. SFOS met SEC exemption from registration requirements.

SIM's affiliate, OAK Services Limited ("OAK"), is also in the process of registering as an investment adviser in reliance on SIM's registration in accordance with SEC guidance. OAK is the general partner of a limited partnership, all of whose assets are invested in the Funds. All personnel associated with OAK and SIM will fall under SIM's compliance program, also in accordance with SEC guidance.

## **Description of Advisory Services**

The Adviser provides advisory services to the Funds on a discretionary basis based on specific investment objectives and strategies outlined in the Governing Documents. SIM seeks to maximize risk-adjusted returns through focus on forward looking asymmetry between potential upside and downside based on analysis of asset classes and market segments. Investors in the Funds may not impose restrictions on investing in certain securities or certain types of securities.

As of December 2014, we have in excess of \$570 million dollars of assets under management on a discretionary basis.

## **Wrap fee programs**

SIM does not participate in wrap fee programs.

## **Item 5. Fees and Compensation**

### **How SIM is Compensated for Advisory Services**

The Adviser will not charge the Funds any asset based management fees or any performance fees. Instead, the Funds will bear, or reimburse the Adviser for, all of the Adviser's ordinary office overhead and operating expenses related to the Funds' operation and the services provided to the Funds. These expenses will include, without limitation, rent, office supplies, and secretarial expenses; charges for furniture and fixtures and other capital expenditures; all salary (including annual or other performance bonuses as applicable), taxes and benefits expenses related to the Adviser's executive, administrative, research, investment and other personnel (such amounts collectively, "Manager Overhead"). All Manager Overhead reimbursements will be subject to an arm's length mark-up percentage applied to the applicable amounts ("Mark-Up") and will be reviewed by the Funds and the Adviser on an annual basis. Please reference Items 11 and 12 for more information on SIM's brokerage practices.

### **Deduction and Timing of Fees**

As discussed above, the Funds will pay and be responsible for Manager Overhead in addition to Funds expenses. Accordingly, the Funds are responsible for Manager Overhead plus the Mark-Up. The Funds will pay to the Adviser, as applicable, all Manager Overhead and Mark-Up amounts quarterly in advance within 10 days after the beginning of each calendar quarter based on the anticipated quarterly Manager

Overhead. In the event the aggregate Manager Overhead payment made to the Adviser during any fiscal year is in excess of the actual Manager Overhead plus the Mark-Up as determined at the end of each fiscal year, the Adviser shall reimburse the Funds for the excess amount together with any Mark-Up paid on those amounts. The expenses of the Funds may be higher or lower than those under an assets based management fee and a performance fee structure.

The Governing Documents of the Funds provide a detailed description of all fees and expenses.

#### **Employee Compensation for Sales of Securities**

No employee of SIM accepts or otherwise receives, directly or indirectly, any compensation for the sale of securities or other investment products.

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

As discussed above, the Adviser does not currently have any performance fee arrangements.

### **Item 7. Types of Clients**

The Adviser's clients consist of the Funds, which are structured as a single pooled master-feeder investment vehicle.

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

#### **Methods of Analysis and Investment Strategy**

The investment objective of the Adviser is to seek attractive returns and capital preservation over a long-term investment horizon. The Adviser seeks to achieve its objective by investing capital in several asset classes such as fixed income, public equities, hedge funds, private equity, real estate, and commodities. The Adviser may utilize various investment vehicles ("Investments") including external managers that each specialize in a specific category of investments (the "Portfolio Managers"), secondaries, co-investments, direct investments, index funds, ETFs, and funds of funds, if deemed appropriate.

The Adviser will seek to maximize risk-adjusted returns through focus on forward-looking asymmetry between long-term potential upside (returns) and downside (losses). Asymmetry analysis may involve analysis of asset classes, market segments, select individual holdings in Portfolio Managers' funds, secondaries, co-investments, and direct deals. Asymmetry can be a function of dislocation in valuations, structural features of a deal, and/or skill of a Portfolio Manager. The Adviser will invest in a variety of asset classes and allocate capital across geographies, strategies, and sectors to diversify sources of returns and risk exposures. The Portfolio Managers will pursue investment strategies within the primary asset classes of fixed income, equities, hedge funds, private equity, real estate, and commodities. The Adviser will use a combination of (i) a top down asset allocation process that will evaluate the attractiveness and risks of the asset classes and market segments, and (ii) a bottom-up assessment of return asymmetry of each investment, its portfolio fit, investment style and methodology. One of the drivers of the top-down process of the Adviser is a contrarian approach that is used to identify market dislocations for further analysis.

The Adviser selects Portfolio Managers based on a number of factors including, but not limited to, portfolio management experience, investment style, organizational stability, quality of operations, ability to add value above the Portfolio Manager's fees, and fit to the Funds' portfolios. The Adviser considers allocating assets to Portfolio Managers operating in all global markets.

The Adviser does not currently intend to effect borrowings to leverage client assets with respect to either Portfolio Managers or direct investments. However, the Portfolio Managers may employ leverage to varying degrees, and may use futures, forward contracts and other derivative instruments that inherently contain leverage.

**Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies and Types of Securities that are Primarily Recommended:**

Investing in the Funds involves risk of loss that you should be prepared to bear.

SIM continuously strives to identify and manage the most appropriate investments, based on the Funds' investment objectives; however, SIM cannot guarantee any level of performance or that any investment will not experience a loss. Investors should carefully review the Funds' Governing Documents before investing in the Funds.

**General Investment Risks**

- Achievement of the Adviser's Investment Goals and Objectives. All securities, real asset, commodities and currency investments involve trading risk and the loss of capital. While the Adviser believes the investment strategy will moderate this risk to some degree through multiple investments, no guarantee or representation is made that the strategy will be successful. The investment strategy may include the selection of Portfolio Managers who use such investment techniques as short sales, leverage, uncovered option and futures transactions, currency transactions and limited diversification, which practices can, in certain circumstances, increase adverse impacts.
- Multiple Portfolio Managers. Because the Adviser may make investments with Portfolio Managers who make their trading decisions independently, it is theoretically possible that one or more of such Portfolio Managers may, at any time, take positions that may be opposite of positions taken by other Portfolio Managers. It is also possible that the Portfolio Managers chosen by the Adviser may on occasion be competing with each other for similar positions at the same time. Also, a particular Portfolio Manager may take positions for its other clients that may be opposite to positions taken for the Adviser's clients.
- Activities of Portfolio Managers. The Adviser will have no control over the day-to-day operations of any of the selected Portfolio Managers. As a result, there can be no assurance that every Portfolio Manager will invest on the basis expected by the Adviser.
- Lack of Diversification. Although the Adviser intends to allocate the client assets to a diversified pool of Investments, there are no limits on the amount of client assets that may be allocated to any one Investment, and Portfolio Managers may concentrate assets into a relatively small number of securities or in a particular asset category, trading style or financial or economic market. Accordingly, a client's portfolio may be subject to more rapid change in value than a less concentrated portfolio would be.
- Illiquidity. Because of the limitation on redemption rights and the fact that there may be Portfolio Managers who do not permit frequent redemptions, some investments are relatively illiquid investment and involve a high degree of risk. The Adviser may invest in investment partnerships or other investment entities which may not allow withdrawals or redemptions for significant periods of time, especially if such investments are in illiquid instruments.
- Limits on Information. The Adviser requests certain information from each Portfolio Manager regarding the Portfolio Manager's historical performance (if any), current holdings in the Portfolio Manager's fund, and investment strategy. However, the Adviser may not be provided with information regarding all the investments made by the Portfolio Managers because certain of this information may be considered proprietary information by Portfolio Managers.

- General Trading Risks. Substantial risks, including market risks, are involved in trading in U.S. and foreign government securities, corporate securities, commodity and financial futures, options, and the various other financial instruments and investments in which the Portfolio Managers or the SIM will trade. Substantial risks are also involved in borrowing and lending against such investments. The prices of these investments are volatile, market movements are difficult to predict and financing sources and related interest and exchange rates are subject to rapid change. One or more markets in which the Portfolio Managers or the Adviser will trade may move against the positions held by them, thereby causing substantial losses.
- Non-Diversification. The Adviser intends to manage a diversified portfolio on behalf of clients. However, portfolio and risk could become significantly concentrated in any one issuer, industry, sector, strategy, country or geographic region, and such concentration may increase the losses suffered by clients. In addition, it is possible that investments could become concentrated in a limited number of one or more types of financial instruments. This concentration could expose clients to losses greater than those experienced by a diversified portfolio.
- Turnover. Certain Portfolio Managers may invest on the basis of short-term market considerations. Their turnover rate is expected to be significant, potentially involving substantial brokerage commissions and fees. The Adviser has no direct control over this turnover. Furthermore, if the Portfolio Manager is terminated by the Adviser, it is expected that such portfolio would be liquidated and the cash proceeds would be reinvested with a replacement Portfolio Manager or invested in another Investment. This policy could create substantial turnover rates and corresponding brokerage commissions and fees.
- Custody and Prime Brokerage Risk. There are risks involved in dealing with the custodians or prime brokers who settle trades. Although the Adviser will monitor its prime broker and expects the Portfolio Managers to monitor their respective prime brokers, there is no guarantee that such prime brokers, or any other custodian that a Portfolio Manager may use from time to time, will not become insolvent. While both the U.S. Bankruptcy Code, as amended, and the Securities Investor Protection Act of 1970, as amended, seek to protect customer property in the event of a failure, insolvency or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of client assets, the client would not incur losses due to its assets being unavailable for a period of time, ultimately less than full recovery of its assets, or both. Under certain circumstances, including certain transactions where client assets, through its investments with Portfolio Managers, are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, or where client assets are held at a non-U.S. prime broker, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of clients and hence could be exposed to a credit risk with regard to such parties. In addition, there may be practical or time problems associated with enforcing client rights to assets in the case of an insolvency of any such party.
- Performance-Based Compensation Arrangements with Portfolio Managers. The Adviser typically enters into arrangements with Portfolio Managers which provide that Portfolio Managers be compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the account during specific measuring periods. In certain cases, Portfolio Managers may be paid a fee based on appreciation during the specific measuring period without taking into account losses occurring in prior measuring periods, although the Adviser anticipates that Portfolio Managers who charge such fees will generally take into account prior losses. Such performance fee arrangements may create an incentive for such Portfolio Managers to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.
- Other Clients of Portfolio Managers. The Portfolio Managers will have significant responsibility for making trading decisions on behalf of clients. The Portfolio Managers will have various levels of experience. In addition, the Portfolio Managers may also manage other accounts (including other partnerships and accounts in which the Portfolio Managers may have an interest) which, together with accounts already being managed, could increase the level of competition for the same trades

including the priorities of order entry. This could make it difficult to take or liquidate a position in a particular security or futures contract at a price indicated by the Portfolio Manager's strategy.

- Secondaries risks. Investing into funds through secondary purchases involves risks of making decisions with limited information, illiquidity, and structural complexity.

### **Risks Associated with Types of Securities**

- Trading in Securities and Other Investments That May Be Illiquid. Certain investment positions in which clients or the Portfolio Managers have an interest may be illiquid. Portfolio Managers and the Adviser may invest in restricted or non-publicly traded securities (e.g., private debt, private funds, real estate funds, etc.) and securities on foreign exchanges. These investments could prevent Portfolio Managers or the Adviser from liquidating unfavorable positions promptly and subject the client to substantial losses. Such investments could also impair the ability to distribute redemption proceeds in a timely manner.
- Special Situations. The Portfolio Managers and SIM may invest assets in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the client of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a client may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss in such companies.
- Real Estate Industry and REIT Risks. The Portfolio Managers and the Adviser may invest in companies in the real estate industry and, therefore, may be subject to risks associated with the direct ownership of real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income. Equity REITs generally experience these risks directly through fee or leasehold interests, whereas mortgage REITs generally experience these risks indirectly through mortgage interests, unless the mortgage REIT forecloses on the underlying real estate.

REITs in which Portfolio Managers and the Adviser invest may be affected by changes in underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Portfolio Managers and the Adviser invest may concentrate investments in particular geographic regions or property types. Additionally, rising interest rates may cause investors in REITs to demand a higher annual yield from future distributions, which may in turn decrease market prices for equity securities issued by REITs. Rising interest rates also generally increase the costs of obtaining financing, which could cause the value of the Portfolio Managers' investments to decline. During periods of declining interest rates, certain mortgage REITs may hold mortgages that the mortgagors elect to prepay, which prepayment may diminish the yield on securities issued by such mortgage REITs. In addition, mortgage REITs may be affected by the ability of borrowers to repay when due the debt extended by the REIT and equity REITs may be affected by the ability of tenants to pay rent.

Investments in REITs, other real estate related securities and fee simple assets are subject to the risks incident to the ownership and operation of real estate generally. Some of the risks associated with investments in real estate are declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow

dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes and operating expenses, changes in zoning laws, losses due to costs resulting from the cleanup of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants and changes in interest rates.

- Commodities and Futures Contracts. Futures markets are highly volatile. The low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Portfolio Managers may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the funds to substantial losses. Investing in futures contracts, options or commodities is a highly specialized investment activity entailing greater than ordinary investment risks.
- Debt Securities. The Adviser or the Portfolio Managers may invest in fixed income securities and other debt securities. Certain of these securities may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Adviser or the Portfolio Managers may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Adviser or the Portfolio Managers may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Adviser and/or the Portfolio Managers will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.
- Short Sales; Options. The Adviser and the Portfolio Managers to which client's funds are allocated may engage in the "short selling" of securities and may write or purchase options. While the use of "short sales" can substantially improve the return on invested capital, its use may also increase any adverse impact to which client investments may be subject. Selling securities short, while often used to hedge investments, does run the risk of losing an amount greater than the initial investment in a relatively short period of time. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. The writing or purchasing of an option also runs the risk of losing the entire investment or of causing significant losses in a relatively short period of time.
- Borrowings and Leverage. Although the Adviser does not currently intend to effect borrowings to leverage client assets that are allocated to the Portfolio Managers, the Adviser may do so in the future and the Portfolio Managers may utilize a substantial amount of leverage. While the use of borrowed funds can substantially improve the return on invested capital, its use may also increase any adverse impact to which investments may be subject. In addition, money borrowed for leveraging investment returns will be subject to interest costs which may or may not be recovered by the return on securities purchased with borrowed funds. In an unsettled credit environment, a Portfolio Manager and the Adviser may find it difficult or impossible to obtain leverage for investments. Since leveraging its assets can be a component of the investment strategies of the Portfolio Managers and the Adviser, in such event a Portfolio Manager and the

Adviser could find it difficult to fully implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in a Portfolio Manager or the Adviser being forced to unwind positions quickly and at prices below what the Portfolio Manager or the Adviser deems to be fair value for the positions.

- Non-U.S. Securities. The Adviser and the Portfolio Managers may invest in securities of companies domiciled or operating in one or more countries outside the United States. Investing in these securities involves considerations and possible risks including (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political instability including war; (iii) dependence on exports and the corresponding importance of international trade and commodities prices; (iv) less liquidity of securities markets; (v) currency exchange rate devaluations and fluctuations; (vi) potentially higher rates of inflation (including hyper-inflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and the ability to exchange local currencies for U.S. dollars; (viii) a higher degree of governmental involvement in and control over the economies; (ix) government decisions to discontinue support for economic reform programs and imposition of centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about economies and issuers; (xi) less extensive regulatory oversight of securities markets; (xii) longer settlement periods for securities transactions; (xiii) less stringent laws regarding the fiduciary duties of officers and directors and protection of investors; (xiv) certain consequences regarding the maintenance of portfolio securities and cash with sub-custodians and securities depositories in emerging market countries; and (xv) liquidity risk. The application of non-U.S. tax laws (e.g., the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may result from investment in non-U.S. securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and non-U.S. brokerage commissions that may be higher than the United States. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in countries outside the United States could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.
- Currency Risks. The investments made by the Adviser and made by the Portfolio Managers that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Adviser and the Portfolio Managers may try to hedge these risks by investing in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.
- Interest Rate Risk. Certain investments are subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Value of some equity, real estate, and private equity investments may also decline due to rise in interest rates. The Adviser and the Portfolio Managers may attempt to minimize the exposure of their portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Adviser and the Portfolio Managers will do so, nor that they will be successful in fully mitigating the impact of interest rate changes on the portfolios.
- Highly Volatile Markets. The prices of commodities contracts and all derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts,

futures contracts and other derivative contracts in which an investment vehicle's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Portfolio Managers and the Adviser are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

- Emerging Market Investments. The Portfolio Managers and the Adviser may invest assets in securities of companies based in emerging countries or issued by the governments of such countries. Investing in securities of such countries and companies involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic considerations, such as greater risks of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict a Portfolio Manager's or the Adviser's investment opportunities; and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain of such countries generally are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in these countries than is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in emerging countries than there is in more developed countries. Placing securities with a custodian in an emerging country may also present considerable risks.
- Derivative Instruments. To the extent the Portfolio Managers and the Adviser invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, such Portfolio Managers and the Adviser may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.
- Risk of Counterparty Default. The stability and liquidity of repurchase agreements, swap transactions, forwards and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that the Portfolio Managers and the Adviser will monitor on an ongoing basis the creditworthiness of firms with which it enters into repurchase agreements, interest rate swaps, caps, floors, collars or other over-the-counter derivatives. If there is a default by the counterparty to such a transaction, the Portfolio Manager or the Adviser will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the investment vehicle being less than if the investment vehicle had not entered into the transaction.
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- Small Cap Stocks. At any given time, Portfolio Managers and the Adviser may make significant investments in smaller-to-medium sized companies of a less seasoned nature whose securities

are traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies.

- **Hedging Transactions.** The Adviser may utilize, or may select Portfolio Managers that utilize, financial instruments such as forward contracts, currency options and interest rate swaps, caps and floors to seek to hedge against fluctuations in the relative values of their portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for the Portfolio Managers or the Adviser to hedge against an exchange rate, interest rate or security price fluctuation that is so generally anticipated that such Portfolio Managers and the Adviser are not able to enter into hedging transactions at a price sufficient to protect client assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations.

## **Item 9. Disciplinary Information**

The Adviser does not have any legal, financial or other "disciplinary" items to report.

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

SIM is not, nor are any of its employees, registered, nor does SIM have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading Adviser or as an associated person of the foregoing entities. In addition, neither SIM nor any of its employees have any arrangement that is material to SIM's advisory business, except as provided below.

SIM and OAK share common owners, officers, employees, consultants or persons occupying similar positions.

SIM and OAK are currently relying on exemptions from registering as Commodity Pool Operators ("CPOs") with the United States Commodity Futures Trading Commission ("CFTC"). Should the circumstances of this exemption change, SIM and/or Oak will register accordingly.

SIM is under common ownership with SFOS, which will provide management and business consulting services for ultra-high net worth families in the fields of family wealth, accounting, financial reporting, business structures, enterprises, legacy preservation and governance systems.

Carlos Feliciani and Eduardo Noguera are Directors of the Adviser and the Funds. The fiduciary duty of the Directors may compete with or be different from the interests of the Adviser and its affiliates. Only the Directors may terminate the services of the Adviser. The Directors and the Adviser may have conflicts of interest in relation to their duties to the Funds. However, the Director's fiduciary duty, commitment to the Funds and the compliance program adopted by the Adviser are designed to limit any real or potential conflicts of interest and ensure independent decision making when choosing the best investments for the Funds.

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

### **Code of Ethics**

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its Access Persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser’s Access Persons are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Lorraine Estrada (Chief Compliance Officer) by email at [Lorraine.Estrada@strenta-im.com](mailto:Lorraine.Estrada@strenta-im.com), or by telephone at 954-217-4896.

The Adviser and its Access Persons, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its Access Persons have invested or seek to invest on behalf of clients. The Adviser and its Access Persons are prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser and its Access Persons may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser and its Access Persons will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser and its Access Persons will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, the Adviser’s Code prohibits the Adviser or its Access Persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser’s Access Persons are required to check the restricted list before making an investment and disclose their securities transactions on a quarterly basis and holdings on an annual basis. Trading in Access Persons’ accounts will be reviewed by the Chief Compliance Officer, or its designee, and compared with transactions for the Funds and/or reviewed against the restricted securities list.

## **Item 12. Brokerage Practices**

### **Research & Other Soft Dollar Arrangements**

#### **SIM Trading:**

SIM’s investment strategy is to primarily invest in private funds and it does not have any formal or informal soft dollar arrangements at this time. However, SIM has entered into brokerage relationships on behalf of the Funds in order to invest the assets directly in ETFs, mutual funds, stocks, bonds, futures, forwards, currencies, or secondaries. The Adviser considers a number of factors in selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer’s compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution and offering to the Adviser on-line access to computerized data regarding investments. In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer’s compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser’s practice to negotiate “execution only” commission rates. The Adviser’s Compliance Team and the relevant traders and portfolio managers meet periodically to evaluate the broker-dealers used by the Adviser to execute trades using the foregoing factors.

Although not a material consideration when determining to use a particular broker-dealer, the Adviser may receive from the broker-dealer, without cost and/or at a discount support services and/or products, certain of which assist the Adviser to better monitor and service the Funds. Certain of the support

services and/or products that may be received may assist the Adviser in managing and administering to the Funds. Others do not directly provide such assistance, but rather assist the Adviser to manage and further develop its business enterprise.

#### Portfolio Managers:

The Funds' underlying Portfolio Managers may consider a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors may include net price, reputation, financial strength and stability, efficiency of execution and error resolution and offering to the Portfolio Manager on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, a Portfolio Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It may not be a Portfolio Manager's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

Portfolio Managers may receive research or other products or services other than execution from a broker-dealer in connection with securities transactions. This is known as a "soft dollar" relationship. It is expected, but cannot be guaranteed, that Portfolio Managers will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, Portfolio Managers will not have to pay for the products and services themselves. This creates an incentive for Portfolio Managers to select or recommend a broker-dealer based on its interest in receiving those products and services.

Portfolio Managers may also be paying for services other than research and brokerage that are included in the commission rate. These other services may include, without limitation, office space, facilities and equipment; administrative and accounting support; supplies and stationery; telephone lines, usage and equipment and other items which might otherwise be treated as an expense of the Portfolio Manager.

To the extent a Portfolio Manager utilizes commissions to obtain items that would otherwise be an expense of the Portfolio Manager, such use of commissions in effect constitutes additional compensation to the Portfolio Manager.

It is noted that certain of the foregoing commission arrangements are outside the parameters of Section 28(e) which permits the use of commissions or "soft dollars" to obtain "research and brokerage" services. Finally, it is noted that since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

SIM has developed and implemented policies and procedures to comply with its own best execution responsibilities, which includes, evaluating and changing, when necessary, our best execution practices. In addition, SIM's due diligence of the underlying Portfolio Managers includes a review of their trading and best execution practices for reasonableness and is one factor utilized in determining the Portfolio Manager for investment by the Funds.

### **Brokerage for Client Referrals**

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as broker-dealer to the Funds. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Funds or affording the Adviser with the opportunity to participate in capital introduction programs.

### **Directed Brokerage**

SIM does not have any directed brokerage arrangements.

### **Allocation and Aggregation Procedures**

The Adviser currently only advises the Funds and therefore does not aggregate orders.

## **Item 13. Review of Accounts**

### **Portfolio Reviews**

The Funds' portfolio will be reviewed on a periodic basis by the Adviser to determine whether the portfolio is being managed in a manner that is consistent with the Funds' investment objectives, guidelines, and/or restrictions, as disclosed in the Funds' Governing Documents. Matters reviewed include specific securities held by Portfolio Managers, adherence to the Fund's investment guidelines and the performance of the Funds.

Significant market events affecting the prices of one or more securities in the Funds' account may trigger reviews of Funds accounts on other than a periodic basis.

### **Reporting**

The Adviser may produce reports as frequently as monthly but no less than quarterly, which provide information with regard to the Fund investor's investment account, including but not limited to account values, portfolio holdings, transaction activity, etc. These reports are not intended to replace the statement provided by the client's administrator, SEI Global Services, Inc., which should be considered the official record for account information. The Adviser's reports may be in a different format and vary in content and scope from that of the client's administrator, and may produce custom report for clients on an ad-hoc basis upon request.

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

SIM does not receive an economic benefit from a non-client for providing investment advice or other Advisory services to our clients, nor does SIM have any arrangement under which it or its Access Persons compensates, or receives compensation for client referrals.

## **Item 15. Custody**

SIM currently does not hold client funds or securities. Instead, client funds and securities are held by qualified custodians.

However, under the Advisers Act, SIM may be "deemed" to have custody as a result of the Directors' dual

role at SIM and the Funds and SIM's ability to authorize the movements of funds. In order to comply with the Custody Rule under the Advisers Act, SIM has engaged a Public Company Accounting Oversight Board ("PCAOB") registered independent public accountant to perform an annual financial audit of the Funds. The audit will be distributed to all applicable limited partners or investors within 180 days of the Funds' fiscal year end.

In addition, each broker dealer, bank, or qualified custodian sends monthly, or more frequent, account statements directly to the Funds. SIM reviews these statements carefully and compares them with its own internal records.

## **Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed, the Adviser has the authority to determine (i) the securities or private funds or private investments to be purchased and sold for the Funds (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities or private funds or private investments to be purchased or sold for the Fund.

The underlying Portfolio Managers may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of the Adviser's willful misfeasance, bad faith or gross negligence, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the client account.

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

To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Funds' securities, such proxies are voted in the best interests of the Funds. All proxy decisions are typically handled by the Chief Investment Officer through the Investment Committee

If a material conflict of interest between the Adviser and the Funds exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Funds or take some other appropriate action.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Lorraine Estrada (Chief Compliance Officer) by email at [Lorraine.Estrada@strenta-im.com](mailto:Lorraine.Estrada@strenta-im.com), or by telephone at 954-217-4896.

#### **Item 18. Financial Information**

SIM has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.