

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

**Item 1. Cover Page**

**Quona Capital, LLC  
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Washington DC, 20005**

**202-486-0993**

**July 2015**

This brochure provides information about the qualifications and business practices of Quona Capital, LLC (the “Adviser” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at 202-486-0993. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

**Item 2. Material Changes**

On an annual basis, Quona Capital, LLC is required to identify and discuss material changes made to this Form ADV Part 2A. As this is the first filing of the brochure, this item is not applicable.

You may request the most recent version of this brochure by contacting Adam Hartmann, Chief Compliance Officer of Quona Capital, LLC at [adam@quona.com](mailto:adam@quona.com) or 202-486-0993.

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#### **Item 4. Advisory Business**

Quona Capital, LLC (f/k/a/ Frontier Investments Group) is a Delaware limited liability company formed in February 2013. The Firm will provide investment management services directly to Quona Capital Management Ltd., a Cayman-based investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). The Firm is wholly owned by Jonathan Whittle and Monica Brand Engel (the “Principals”).

As an investment adviser, Quona Capital, LLC expects to provide research and other investment advisory services to Quona Capital Management Ltd. Quona Capital, LLC will also provide, among other things, compliance support, social performance management, including the development and monitoring of social indicators, and marketing and communications services. The Firm primarily intends to provide investment advisory services to Quona Capital Management Ltd., an investment adviser that manages a private fund vehicle (the “Fund”) and a separately managed account (collectively referred to herein as the “Clients”). The Fund primarily intends to pursue a venture capital strategy which aims to catalyze new approaches to financial inclusion by investment in companies that promote breakthrough innovation in financial services. The Fund expects to target companies that can be scaled to create both competitive financial returns and a sustainable social impact, and seek to create a demonstration effect so that new investors are encouraged to deploy capital that results in the expansion of financial inclusion. The investment strategies of Quona Capital Management Ltd.’s separately managed account clients are expected to be substantially the same as those described above.

Quona Capital, LLC tailors advisory services to the individual or particular needs of Quona Capital Management Ltd. The terms of such advisory services are set forth in a Back Office Service Agreement (“BOSA”) between Quona Capital, LLC and Quona Capital Management Ltd.

- A. Quona Capital, LLC does not expect to participate in a wrap fee program.
- B. As of July 2015, Quona Capital, LLC does not manage any assets on either a discretionary or non-discretionary basis. The Firm expects to be eligible for SEC registration within 120 days.

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

- A. Quona Capital, LLC is compensated for the investment advisory services it provides to Quona Capital Management Ltd. on a periodic basis.
- B. Quona Capital, LLC bills Quona Capital Management Ltd. for all fees incurred on periodic basis.
- C. Quona Capital, LLC will not charge any other type of fee or expense to Quona Capital Management Ltd.
- D. Quona Capital, LLC is not paid in advance for the investment advisory services it provides to Quona Capital Management Ltd.
- E. Neither Quona Capital, LLC nor any of Quona Capital, LLC’s supervised persons will accept compensation for the sale of securities or other investment products.

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

Neither Quona Capital, LLC nor any of Quona Capital, LLC's supervised persons accepts performance-based fees. Neither Quona Capital, LLC nor any of Quona Capital, LLC's supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly fee or flat fee, or asset-based fee.

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

Quona Capital, LLC will provide investment advisory services directly to Quona Capital Management Ltd. Quona Capital Management Ltd. provides investment advisory services to the Clients, as described in Item 4 above, and as such, Quona Capital, LLC will provide indirect investment advisory services to such Clients. Quona Capital Management Ltd. provides investment advisory services to pooled investment vehicles which generally operate as exempt investment companies under the Investment Company Act of 1940, as amended. The minimum investment in the Funds is typically \$5,000,000 for institutional investors and \$1,000,000 for individual investors, although Quona Capital Management Ltd. maintains discretion to individually waive, increase or reduce the minimum investment required.

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

- A. Quona Capital, LLC provides investment advisory services directly to Quona Capital Management Ltd., and formulates investment advice based on the strategies employed by Quona Capital Management Ltd. Quona Capital Management Ltd.'s investment mandate is to generate appropriate risk-adjusted financial returns, by pursuing a venture capital strategy to invest in early and growth-stage companies that promote financial inclusion for financially underserved populations primarily at the base of the economic pyramid. Quona Capital Management Ltd. will target acquisitions of financial services companies that have a focus expanding financial services to populations and places where such services are limited. Quona Capital Management Ltd. intends to invest globally, with a focus on certain core markets in Africa, Asia and Latin America that have attractive enabling environments, entrepreneurial ecosystems and large market opportunities.

Quona Capital Management Ltd. seeks to identify potential investments that meet the Clients' investment criteria. The due diligence process is designed to enable Quona Capital Management Ltd.'s team to evaluate potential investments, including by assessing a potential portfolio company's strengths, weaknesses, and opportunities, developing a view on its value and prospective return, meeting with the management team, and identifying potential transactional issues. Quona Capital Management Ltd.'s analysis typically focuses on the target company's (i) business model and competitive environment, (ii) financial structure and performance, (iii) business plan and opportunities for value creation, (iv) management team capabilities and (v) potential for attractive exit opportunities. Quona Capital Management Ltd. may seek to leverage the resources of its advisors and the skills of certain portfolio company employees to complement its due diligence process. Quona Capital Management Ltd.'s investment analysis methods may include fundamental, technical gain/loss forecast models, cash-flow models, sensitivity analysis, charting, fundamental, technical and cyclical analysis.

An investment in a fund will involve significant risk and potential conflicts of interest. There can be no assurance that Quona Capital Management Ltd.'s investment objectives will be achieved,

and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks.

- B. *As Quona Capital, LLC provides indirect investment advisory services to the Clients; listed below are some of the risks associated with a Client investment. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Clients' investment strategies. For a complete explanation of the Clients' relevant investment strategies and their associated risks, investors should review the relevant offering documents or investment management agreement, which may contain additional explanations of strategies, risks and other related details not discussed below.*

***Lack of Operating History.*** The Clients, the general partner and the investment adviser, Quona Capital Management Ltd. are newly formed entities. As such, they do not have a prior operating history that a prospective investor can evaluate before making an investment. Additionally, the general partner and the Quona Capital Management Ltd. have not previously operated a private equity fund together.

***Risk of Loss.*** An investment in a Client entails a high degree of risk with no certainty as to the magnitude or timing of the returns, if any, on an investment. Accordingly, an investment should be made only by persons who are able to bear the risk of loss of all capital invested. No guarantee or representation is made that the Client will be able to implement its investment strategy or achieve its targeted returns, or that the overall investment program of any Client will be successful.

***Long-term Nature of Investments; Illiquidity of Investments.*** An investment in a Client generally requires a long-term commitment of capital. There may be a significant period of time before the Client has completed its investment program. The process of searching for and selecting investments and their management and disposition is likely to take several years from the initial closing date. The return of capital and the realization of gains, if any, from portfolio investments may not occur until a number of years after such investments are made, if at all. In addition, investments made by the Client are likely to be illiquid. Illiquidity may result from the absence of an established market for the Client's portfolio, as well as from legal, contractual or other restrictions on their resale by the Client. This illiquidity may interfere with the Client's ability to dispose of its investments in a timely manner or adversely affect the terms of such dispositions. Moreover, distributions to the investors may be made in-kind, including (following the dissolution of the Client) in illiquid securities, and losses on unsuccessful investments may be realized before any gains on successful investments are realized.

***Risks Arising from Exercise of Control Rights.*** The Client will generally seek to acquire a strategic equity or equity-equivalent positions in each of its portfolio companies. Accordingly, the Client may possess a controlling interest in certain of its investments, either on a stand-alone basis or as part of a group with other investors. Any measures contemplated by the Client in connection with an exercise of its control rights could expose the assets of the Client to claims by portfolio companies, their other owners (if any) and creditors. These measures also could result in certain liabilities being attributed to the Client in the event of the bankruptcy or reorganization of a portfolio company. While the general partner and Quona Capital Management Ltd. intend to manage the Client in a way that will minimize the Client's exposure to such risks, the possibility of successful adverse claims cannot be precluded.

***Diverse Membership.*** The investors may include U.S. taxable and tax exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in the Client. The conflicting

interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Client, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the general partner, including with respect to the nature, structuring or timing of investments and dispositions, that may be more beneficial for certain investors than for other investors, especially with respect to investors' individual tax situations. In selecting and structuring investments for the Client, the general partner will consider the investment and tax objectives of the Clients and investors as a whole, and will not consider the investment, tax or other objectives of any investor individually.

***Size of the Client.*** The Client is seeking aggregate Commitments of US\$100 million, up to a maximum of US\$150 million. The investment performance of the Client and its ability to diversify its investments could be adversely affected by the relatively small amount of funds available to it.

***Dependence on Key Personnel.*** The success of the Client depends in substantial part upon the skill and expertise of the Quona Capital Management Ltd.'s Principals and the investment committee members designated by the general partner. However, there can be no assurance that these individuals will continue to be associated with the general partner and/or Quona Capital Management Ltd. throughout the life of the Client, and the loss of one or more of these individuals or other key personnel could have a material adverse effect upon the Client.

***Business and Financial Risks.*** The entities in which the Client will invest involve a high degree of business and financial risk. For example, they may be operating at a loss or have significant variations in operating results; they may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; or they may otherwise have a weak financial condition or competitive position.

***Risks of Privately-Held Entities.*** The Client may invest in privately-held entities which may face intense competition, including competition from companies with greater financial resources and more extensive development, marketing, and other capabilities, and with a larger number of qualified managerial and technical personnel.

***Potential Conflicts of Interest.*** Prospective investors should be aware that there will be situations where the general partner and the Quona Capital Management Ltd., and their respective affiliates may encounter actual or potential conflicts of interest in connection with the Client. On any issue involving conflicts of interest, the general partner and Quona Capital Management Ltd., will be guided by their good faith judgment in determining what courses of action are in the best interests of the Client. In the event that any matter arises that the general partner determines in its good faith judgment constitutes an actual conflict of interest, the general partner may take those actions that may be necessary or appropriate, in accordance with applicable laws and regulations, to ameliorate the conflict of interest, and in taking such actions the general partner (and, if appropriate, Quona Capital Management Ltd.) will be relieved of any and all responsibilities or liabilities for the conflict of interest, to the extent permissible under any applicable securities laws. The LP advisory committee will provide advice as the general partner, Quona Capital Management Ltd., or the investment committee may request with respect to the affairs of the Client. The LP advisory committee will also review and, in its discretion, approve proposed transactions involving conflicts of interest submitted to it by the general partner and/or Quona Capital Management Ltd., and review and, in its discretion, approve waivers of compliance with the Investment

***Other Investment Activities of Personnel of the General Partner and the Firm.*** Subject to the limitations contained in the partnership agreement and any relevant laws and regulations, the

general partner, Quona Capital Management Ltd., and their respective affiliates (including Accion International, an affiliate of the general partner) may continue to engage actively in other activities. In that regard, personnel of the general partner and Quona Capital Management Ltd., are responsible for day-to-day operations of the Client, and will devote such time as is reasonably required to conduct the business affairs of the Client in an appropriate manner. However, these same personnel may also work on other projects; consequently, conflicts may arise in the allocation of management resources and investment opportunities.

***Allocation of Investment Opportunities.*** From time to time, Quona Capital Management Ltd., or the general partner may be presented with an investment opportunity that falls within the investment objectives of a Client. In such circumstances, the general partner, or the Quona Capital Management Ltd., (as applicable), will allocate the opportunity among the Client and such other fund(s) in such proportions as it determines to be fair and equitable taking into account, among other things, their respective investment periods, investment guidelines and other investments and the respective amounts each has available for investment.

***Follow-on Investments.*** The Client may be called upon to provide follow-on funding for its existing portfolio companies or have the opportunity to increase its investment in such portfolio companies. There can be no assurance that the Client will make such follow-on investments or that it will have sufficient funds to do so. Any decision by the Client not to make follow-on investments or its inability to make them may have a substantial negative impact on portfolio companies in need of such an investment or may diminish the Client's ability to influence the portfolio company's future development.

***Distributions in Kind.*** The Client may make investments which may not be advantageously disposed of prior to the date the Client will be dissolved, either by expiration of the Client's term or otherwise. Although, under normal circumstances, the Client is required to make distributions in cash or in marketable securities, it is possible that following the dissolution of the Client, in-kind distributions could consist of securities for which there is not a readily available public market.

***Broken Deal Expenses.*** Certain Portfolio Investments may require extensive due diligence activities and regulatory approvals prior to acquisition. Due diligence may include financial, legal and environmental review and analysis by business or technical consultants, any or all of which may entail significant third-party expenses. In the event that a prospective investment is not consummated, some or all of such third-party expenses and any termination fees will be borne by the Client.

***Co-investment Risks.*** The Client may invest alongside strategic, financial or other third-party co-investors. The Client's ability to achieve its investment objectives in a co-investment situation assumes that the Client will be able to negotiate and execute mutually acceptable terms and conditions in respect thereof. Such investments will involve additional risks which may not be present in investments which do not involve a co-investor, including the possibility that a co-investor may at any time have economic or business interests or goals that are not consistent with those of the Client, may be in a position to take action contrary to the Client's investment objectives or may default on its obligations. While the Client intends to mitigate these risks contractually through co-investment agreements, there can be no assurance that the Client will be successful in doing so. Also, such co-investment may or may not be on substantially the same terms and conditions as the Client, and such co-investments may or may not be disposed of at the same time or on the same terms as dispositions by the Client. In addition, under certain circumstances the Client may be liable for actions of its co-investors. To reduce the possibility of liability, the Client

will seek to hold its assets through limited liability entities and, where appropriate, obtain indemnities from its co-investors.

***Foreign Currency and Exchange-Rate Risks.*** The Clients' investments, and the income and other proceeds received with respect to such investments, may be denominated in local currencies other than the U.S. dollar. Nonetheless, Clients are denominated in U.S. dollars and distributions to its investors will be paid in U.S. dollars. Over time, there may be changes in currency exchange rates as a result of the interaction of many factors; these changes may directly or indirectly affect economic and political conditions in the countries in which the Fund invests. Sovereign governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies. Clients may use hedging techniques to seek to protect against losses attributable to fluctuations in the exchange rates between the U.S. dollar and those local currencies in which Client investments are denominated; however, for certain currencies, currently there is not a reliable and cost efficient method of hedging currency risk. Consequently, currency exchange rate fluctuations, currency devaluations and exchange-control regulations may adversely affect the performance of the returns realized on the Clients' investments.

***Potential Portfolio Investments in Alternative Currency Companies.*** It is possible that a Client will make a portfolio investment in a company or companies that utilize an alternative currency such as Bitcoin to conduct business (an "Alternative Currency Company"). An "Alternative Currency" is a digital medium of exchange that relies on cryptography to implement a decentralized, stable and secure economy, and relies on a pre-determined algorithm to control issuance of new currency units as opposed to issuance by fiat. "Bitcoin" is currently the dominant currency in the Alternative Currency ecosystem.

The development and acceptance of Alternative Currencies, which represent a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of Alternative Currencies may adversely affect the value of any portfolio investments in Alternative Currency Companies. Further, a lack of stability in Alternative Currency exchange markets and the closure or temporary shutdown of exchanges due to fraud, business failure, hackers or malware may reduce confidence in Alternative Currencies and could adversely affect a Portfolio Investment in an Alternative Currency Company.

***Ecosystem Development.*** The general partner, Quona Capital Management Ltd., and their respective affiliates anticipate engaging in activities that they believe will promote the growth and development of the markets in which Clients will invest, which may include advising non-profit entities, debt providers, larger corporations and other service providers, among other activities. While the general partner believes that such activities will ultimately be beneficial to the Clients' investment strategy, there can be no assurance that such activities will increase returns, if any, to investors.

***Likely Changes to Microfinance and Financial Services Laws and Regulations.*** While Clients do not intend to target microfinance institutions for investment, the growth and performance of its portfolio companies – companies that promote breakthrough innovations in financial inclusion – may be tied in part to the growth and performance of the microfinance industry and the broader financial services industry in the areas in which such portfolio companies operate. The governments of many emerging markets are actively considering significant changes to existing legal regimes relating to microfinance and financial services in their countries, and it is expected that the legal and regulatory landscape for microfinance, financial services and related industries in these countries will continue to evolve throughout the term of the Clients' portfolio investments. Areas

likely to see important changes include, but are not limited to, consumer protection, banking regulations and permitted technologies for the delivery of financial services. Such changes may significantly impact the performance of the Clients' portfolio companies by imposing additional compliance costs and changing the viability of established microfinance and financial services business models.

#### **Item 9. Disciplinary Information**

There have been no legal or disciplinary events involving either Quona Capital, LLC or any of its management persons that are material to Quona Capital, LLC's advisory business.

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

- A. Neither Quona Capital, LLC, nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Quona Capital, LLC, nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither Quona Capital, LLC nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.

Quona Capital, LLC is affiliated with Quona Capital Management Ltd., a registered investment adviser with the SEC, as well as Quona AFIF Special Limited Partner LP, a vehicle for investing into the fund and for receiving "carried interest" as fully disclosed in the fund's offering documents.

- D. Quona Capital, LLC does not recommend or select other investment advisers for its clients.

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

- A. Quona Capital, LLC has adopted a Code of Ethics (the "Code") to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Code describes the Firm's fiduciary duties and responsibilities to its Clients, requires that the Firm's employees act in the best interests of clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Quona Capital, LLC's employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by Quona Capital, LLC or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Quona Capital, LLC's employees.

The Code prohibits personal securities transactions of issuers who have been placed on the Firm's restricted list, and requires written pre-approval for all initial-public offerings, private placements, and transactions in "Reportable Securities". The Code requires employees to report all securities

transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Quona Capital, LLC will provide a complete copy of its Code to any investor upon request sent to Adam Hartmann, the Firm's Chief Compliance Officer, at adam@quona.com.

- B. Neither Quona Capital, LLC nor any of Quona Capital, LLC's related persons recommend to Clients, or buys or sells for Client accounts, securities in which Quona Capital, LLC or Quona Capital, LLC's related person has a material financial interest.
- C. Neither Quona Capital, LLC nor any of Quona Capital, LLC's related persons invest in the same securities that Quona Capital, LLC or Quona Capital, LLC's related persons recommends to the Clients.
- D. Neither Quona Capital, LLC nor any of Quona Capital, LLC's related persons recommends securities to its Clients, or buys or sells securities for Client accounts, at or about the same time that Quona Capital, LLC or Quona Capital, LLC's related persons buys or sells the same securities for Quona Capital, LLC's own, or Quona Capital, LLC's related person's own account.

#### **Item 12. Brokerage Practices**

- A. Quona Capital, LLC does not expect to make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Clients.
- B. Quona Capital, LLC does not expect to aggregate the purchase or sale of securities for various Client accounts.

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

- A. Quona Capital, LLC expects to review Client accounts or financial plans on a periodic basis as the Firm provides indirect investment advisory services to such Clients. The Firm's Principals are responsible for such periodic reviews, and will conduct such reviews in tandem with Quona Capital Management Ltd.'s investment personnel.
- B. Quona Capital, LLC's Principals will review Client accounts on a continuous and periodic basis, therefore there are no additional "triggering" events that would warrant a review.
- C. Audited financial statements are expected to be provided to investors in each Fund, generally within 120 days of the end of the Fund's fiscal year. Unaudited financial statements and investor-specific account statements are to be generally provided to all Clients and investors on a quarterly basis.

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

- A. The Firm will not receive an economic benefit from anyone, other than Quona Capital Management Ltd., for providing investment advice or other advisory services.

- B. Neither the Firm nor any related person will directly or indirectly compensate any person who is not a supervised person for client referrals.

**Item 15. Custody**

Under Rule 206(4)-2 of the Advisers Act, Quona Capital, LLC will not be deemed to have custody of the assets of the funds as the Firm does not have the ability to withdraw the Funds' cash and/or securities held with a qualified custodian.

**Item 16. Investment Discretion**

Quona Capital, LLC does not accept discretionary authority to manage securities accounts on behalf of the Clients.

**Item 17. Voting Client Securities**

As Quona Capital, LLC does have investment discretion, as disclosed in Item 16, Quona Capital, LLC does not have nor will accept the authority to vote client securities.

**Item 18. Financial Information**

Quona Capital, LLC will not require or solicit prepayment or more than \$1,200 in fees per client six months or more in advance and, thus is not required to include a balance sheet for its most recent fiscal year.

Quona Capital, LLC is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds. Quona Capital, LLC has not been the subject of a bankruptcy petition within the preceding ten years.

**Item 19. Requirements for State-Registered Advisers**

Not Applicable.