



## BLUE ORANGE CAPITAL L.P.

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This Brochure provides information about Blue Orange Capital L.P. and BlueOrange Sustainable Capital Fund GP S.à r.l., and the qualifications and business practices of these two firms. If you have any questions about its contents, call (212) 218-4143 or e-mail [info@blueorangecapital.com](mailto:info@blueorangecapital.com).

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment adviser does not imply any level of skill or training.

More information about Blue Orange Capital L.P. and BlueOrange Sustainable Capital Fund GP S.à r.l. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This is the first Brochure filed in connection with the registration of Blue Orange Capital L.P. with the SEC as an investment adviser and BlueOrange Sustainable Capital Fund GP S.à r.l. as a relying adviser. We will update it over time as needed.

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## **Item 4 – Advisory Business**

### **Who we are**

Blue Orange Capital L.P. (“BlueOrange”, “our” or “we”) is a Delaware limited partnership organized on July 8, 2016. Our general partner is Blue Orange (DE) GP LLC (“DE GP”), a Delaware limited liability company. Our office is in Bethesda, MD.

Bertrand Badré, Partner and Chief Executive Officer (“CEO”), Rashad Kaldany, Partner and Chief Investment Officer (“CIO”), and Amer Baig, Partner, serve on our Investment Committee (“IC”). They are members of our management team (“Management” or “Management Team”), as are Suprotik Basu, a Partner, and Emmanuelle Yannakis, a Partner and our Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”) and Chief Compliance Officer (“CCO”). The other roles performed by these individuals are discussed herein, as are the conflicts of interest arising from these roles and the means used to address such conflicts.

### **What we do**

We provide non-discretionary investment advisory services to Luxembourg Investment Solutions S.A. (“LIS”), a Luxembourg public limited liability company (*société anonyme*), under a non-discretionary investment advisory agreement (“Advisory Agreement”). LIS is authorized and supervised by the Luxembourg *Commission de Surveillance du Secteur Financier* (“CSSF”) as an alternative investment fund manager (“AIFM”) under the Luxembourg Law of 12 July 2013 and the EU Alternative Investment Funds Directive. LIS is the AIFM to Blue like an Orange Sustainable Capital Fund SICAV-SIF SCS, an umbrella fund (“Fund”). We are not affiliated with LIS and our only connection to it is as noted herein.

### **Relying adviser**

In our Form ADV Part 1, we have registered as a relying adviser the Fund’s general partner, BlueOrange Sustainable Capital Fund GP S.à r.l., a Luxembourg *société à responsabilité limitée* (“Fund GP”). Mr Badré, Mr Baig and Mrs Yannakis are Managers of the Fund GP. Christian Hertz, the Chief Legal Officer and Chief Compliance Officer of LIS, is also a Manager of the Fund GP. The Fund GP is not an AIFM. The Fund GP has the power and authority to manage the business and affairs of the Fund. The Fund GP is subject to our written policies and procedures, including our Code of Ethics (“Code”), which is discussed in Item 11, below.

### **The Fund and sub-funds**

The Fund has an umbrella structure and will consist of several sub-fund(s). The Fund’s investment objective is to provide attractive risk-adjusted, market-level financial return to achieve sustainable development from capital invested in eligible assets for the benefit of its investors while reducing investment risks through diversification. Each sub-fund will have its own pool of assets that will be invested in accordance with the investment objective, investment policy and investment restrictions applicable to that sub-fund.

The first sub-fund, Blue like an Orange Sustainable Capital Latin America Fund I (“Sub-Fund 1”), seeks to achieve risk-adjusted market-level financial returns through sustainable development investing in companies and projects that serve the social, economic and environmental needs for entrepreneurs

and businesses in Latin America and the Caribbean. Lending will take the form of mezzanine debt and debt securities, including but not limited to convertible bonds, high yield debt, warrants, hybrid instruments and similar instruments, such as certain equity-kickers. Sub-Fund 1 will invest opportunistically in senior debt investments with a risk/return profile consistent with its stated overall risk/return profile.

We work on our own, and also with IDB Invest and other co-investment partners (“Co-Investment Partners”), to source transaction opportunities for Sub-Fund 1 through the network of existing clients of the Co-investment Partners. We and the Fund GP are not affiliated with the Co-Investment Partners or their clients. The Co-Investment Partners will act as the lender of record to make mezzanine loans, and Sub-Fund 1 will buy participations in such loans, with Sub-Fund 1 buying the majority portion of such loans.

Upon receipt of funds from capital calls from its investors and prior to investment, Sub-Fund 1 will invest such cash in one or more money market funds. We will make investment recommendations to LIS for particular investment opportunities, who, in turn, will act upon the recommendations and cause Sub-Fund 1 to be so invested.

As of the date of this Brochure, we do not have client regulatory assets under continuous and regular investment management. We will within 120 days of the day that we become SEC registered secure more than \$100,000,000 in assets under continuous and regular investment management, or deregister with the SEC.

### **How we work**

We engage in the following activities on a continuous and regular basis:

- source, research, identify, evaluate and propose investment opportunities, through our own network or the network of the Co-Investment Partners;
- perform due diligence in connection with such potential investments;
- research and formulate advice and recommendations;
- generate advice and recommendations and provide these to LIS;
- negotiate but not agree (this is a role of LIS) investment terms for loans;
- provide ongoing and active review and oversight of investments;
- monitor the performance of investments; and
- report on the social development impact of the investments of each sub-fund.

We have no power to exercise discretion or enter into any transaction or agreement for or on behalf of a sub-fund. We cannot make investment decisions for a sub-fund.

As we will have only one client, LIS, and as a non-discretionary sub-adviser we will devote our time and attention to providing investment advice and recommendations to LIS. Currently, there is only one sub-fund. However, as more sub-funds are launched and as we become more active, conflicts of interest will arise with respect to the allocation of loan opportunities/investments for multiple sub-funds. We will amend this Brochure at that time and address the conflicts of interest raised by that change in activity, as appropriate.

We have a service agreement (“Total Agreement”) with Total Impact Advisors LLC (“Total Impact”), a company that specializes in sourcing and developing private investment opportunities. Under the Total Agreement, certain Total Impact employees will assist us in advising on financial investments and preparing investor documentation and market research. Total Impact is separately incorporated; however, we share office space with it. Total Impact’s principal, John Simon, and his colleagues work with us to develop and research loan opportunities. We treat the personnel of Total Impact with whom we share office space as Supervised Persons and Access Persons (as defined in our Code), supervise them and require them to comply with our written policies and procedures, including our Code of Ethics. We address the conflicts of interest with respect to Total Impact in Item 10 of this Brochure.

The Fund GP may in its sole discretion give investors in Sub-Fund 1 (other than the Management Team), direct or indirect beneficial owners of BlueOrange or the Fund GP, and unaffiliated third parties an opportunity to co-invest alongside Sub-Fund 1 and the Co-Investment Partners in investments of Sub-Fund 1 on such terms (including with respect to fees and expenses) as the Fund GP may in its sole discretion agree with such parties. The Management Team, BlueOrange, the AIFM, the Fund GP and any of their affiliates are not permitted to coinvest with Sub-Fund 1. The Fund GP is not obligated to offer co-investment opportunities to the investors in Sub-Fund 1 or to allocate any such opportunities pro rata to such investors or in any other prescribed manner. Investors in Sub-Fund 1 will be charged all or part of the expenses related to broken deal expenses for investments that are pursued by Sub-Fund 1 but that are not consummated, even if co-investors would have invested in such investments alongside Sub-Fund 1. The Management Team and direct or indirect beneficial owners of BlueOrange or the Fund GP will also be investors in Sub-Fund 1, and will invest on the same terms as unaffiliated third-party investors in Sub-Fund 1, but the Management Team will not be eligible for any co-investment opportunities as set forth above and will not bear management fees and general partner reimbursements or performance fees related to their investments in Sub-Fund 1, and will not have voting rights.

### **How the Fund GP works**

The Fund GP has the exclusive power to administer and manage the Fund and its sub-funds and to determine the investment objective, investment policy and investment restrictions applicable to each sub-fund, as well as the course of conduct of the management and business affairs of the Fund and the sub-funds. The Fund GP appointed LIS as AIFM, and the Fund GP will act upon LIS’s specific investment decisions.

### **Funding structure**

Organizational funding for us and for the Fund GP came from BlueOrange Equity TopCo SCSp (“Equity TopCo”) and BlueOrange Debt TopCo SCSp (“Debt TopCo”), Luxembourg special limited partnerships. Investors in both of these entities are U.S. and non-U.S. persons, including Mr Badré, Mr Basu and Mr Kaldany, and unaffiliated third parties. Equity TopCo will own BlueOrange Fee HoldCo SCSp (“Fee HoldCo”) and co-own BlueOrange Carry HoldCo SCSp (“Carry HoldCo”), Luxembourg special limited partnerships. Debt TopCo will, with Equity TopCo, be the other co-owner of Carry HoldCo. The members of our Management Team are/will be investors in Carry HoldCo and Fee HoldCo through BlueOrange Management Company SCSp I and BlueOrange Management Company SCSp II (“Management Companies”), both Luxembourg special limited partnerships.

Fee HoldCo and Carry HoldCo were established to receive fee income and Carried Interest (defined below) from the Fund. The members of the Management Team will receive a portion of these fees and Carried Interest via their investment in the Management Companies. BlueOrange Special Limited Partner SCSp, a subsidiary of Carry HoldCo, will receive Carried Interest from Sub-Fund 1.

Because the members of the Management Team hold multiple roles across these partnerships and companies, have through them provided organizational funding to us, vote on the repayment of this organizational funding and will receive Carried Interest, there are multiple conflicts of interest with respect to our funding structure. The conflicts of interest and the means to address these conflicts are disclosed in this Brochure.

## **Item 5 – Fees and Compensation**

We receive a management fee (“Management Fee”) from Sub-Fund 1 for the non-discretionary investment management services that we provide, paid quarterly in advance at the beginning of each calendar quarter out of the assets of Sub-Fund 1. We will continue to receive the Management Fee until the expiry of the term of Sub-Fund 1 through to the end of its liquidation. The Management Fee is not related to performance.

The Management Fee is based upon a fixed annual retainer of 1.35% (subject to lower percentages that apply in respect of certain investor classes of Sub-Fund 1) and is calculated by Caceis Bank Luxembourg Branch (“Caceis”), Fund administrator, upon the commitments to Sub-Fund 1 for the two first years following the first closing of Sub-Fund 1 and subsequently upon the total acquisition cost, net of leverage, of investments that have not been realized or permanently written off by Sub-Fund 1 prior to the commencement of the relevant calendar quarter, and subject to adjustment for changes during such calendar quarter as set forth in the governing documents of Sub-Fund 1.

All transaction fees, closing fees, underwriting fees, directors and monitoring fees together with abort fees charged by us and our affiliates in respect of any investment made by Sub-Fund 1 will be 100% for the benefit of Sub-Fund 1 and may be credited against the Management Fee otherwise payable to us by Sub-Fund 1.

Sub-Fund 1 will reimburse the Fund GP an amount up to \$750,000 per annum of all ordinary ongoing costs of the Fund GP, including but not limited to general overhead and operating expenses, administrative, legal, tax and audit related costs, fees and expenses.

Sub-Fund 1 will reimburse us and the Fund GP, on a *pro rata* basis in proportion to the respective total commitments of Sub-Fund 1 as compared to the total commitments to all of the sub-funds, the organizational and set-up expenses of the Fund GP, the Fund, Sub-Fund 1 and BlueOrange up to the lower amount of (i) 0.5% of the aggregate commitments at the date of the final closing and (ii) \$1,800,000, including but not limited to structuring, legal, accounting, consulting, financial advisory, tax advisory, preparation and filing of SEC regulatory forms for BlueOrange (specifically, the Form ADV and the compliance manual), printing, postage, filing, travel, out of pocket expenses, expenses and commissions payable to placement agents, brokers and intermediaries, capital raising and other organizational expenses. The excess (if any) will be borne by the Fund GP.

Sub-Fund 1 will reimburse us and the Fund GP for the following charges and expenses in respect of the operation of the Fund and Sub-Fund 1:

- a) operating expenses including all taxes, duties, stamp duties, governmental and similar charges, commissions, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs, expenses of the issue and redemption of interests in the Fund and Sub-Fund 1 ("Interests");
- b) the fees, costs and expenses of establishing, maintaining, operating, managing, protecting and winding-up any investment holding entity, including if necessary employee costs of such entity (and, for the avoidance of doubt, no employee will provide any services to the Fund GP or BlueOrange);
- c) any and all transaction and administration fees, expenses and taxes (including, without limitation, brokerage, due diligence, investment banking, financial advisory, legal, accounting, surveyor's, travel fees (which may include non-commercial travel, only to the extent no reasonable alternative mode of transportation is available) and accommodation expenses and other professional fees as well as any transaction and administration fees, expenses and taxes charged by the Co-Investment Partners to the Sub-Fund under the applicable framework agreement) incurred on transactions with respect to the acquisition, monitoring or disposal, or the proposed acquisition or disposal of the portfolio and related expenses in connection with the acquisition or disposal of the assets, irrespective whether the transactions have materialised or not, including, for the avoidance of doubt, broken deal expenses (including the portion attributable to any Co-Investment Partners who may have invested in such proposed portfolio investment were it to have been made, to the extent not otherwise reimbursed). Any and all transaction costs incurred outside the ordinary course of business, such as due to the restructuring of debt investments held by the Sub-Fund, in excess of USD 600,000 per transaction will be subject to the prior approval of the Advisory Committee (defined below);
- d) accounting, due diligence, legal and other service providers in relation to the Fund and its sub-fund(s) and all other fees and expenses incurred by the Fund GP and LIS acting in respect of the Fund and its sub-fund(s);
- e) reporting and publishing expenses, including the cost of preparing and/or filing of the governing documents concerning the Fund, including the Private Placement Memorandum of the Fund ("PPM") and explanatory memoranda and registration statements with all authorities having jurisdiction over the Fund or the offering of Interests; the cost of preparing, in such languages as are required for the benefit of the investors, including the beneficial holders of the Interests, and distributing annual and all other periodic reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities and the costs and expenses of local representatives appointed in compliance with the requirements of such authorities;
- f) the cost of convening general meetings of the investors or of consulting the investors in writing;
- g) the reasonable costs and expenses of the Advisory Committee, if existing, and travel, telephone, accommodation and other out-of-pocket expenses incurred by members of the Advisory Committee in connection with meetings or other business of the Advisory Committee;
- h) expenses incurred in determining Fund and sub-fund net asset value ("NAV") and valuating assets;
- i) the costs of preparing, printing and distributing all valuations, statements, accounts and performance and investment reports;
- j) the auditors' fees and expenses in relation to the Fund;
- k) the costs of amending and supplementing the Fund governing documents, the PPM, the agreements and documents relating to the Fund and all similar administrative charges;
- l) costs incurred to enable the Fund to comply with legislation and official requirements (including expenses relating to the preparation and filing of Form PF and Form D) provided that such costs are incurred substantially for the benefit of the investors and any fees and expenses involved in



- registering and maintaining the registration of the Fund with any governmental agencies, or listing of Interests on the Luxembourg Stock Exchange or on exchanges in any other country;
- m) all other taxes and all fees or other charges levied by any governmental agency against the Fund in connection with its investments or otherwise;
- n) any irrecoverable VAT (or similar levy or duty) relating to any such costs and expenses; and
- o) all other costs and expenses in connection with the operations or administration of the Fund and the portfolio incurred to procure the achievement of the investment objective and the investment policy of the Fund and the sub-fund(s), including, but not limited to, the costs of due diligence on and monitoring of investments.

Each of LIS (as the AIFM) and BlueOrange will be responsible for the routine expenses associated with their own functioning and operations, including but not limited to overhead, rent, salaries and associated employee benefits.

Fees and expenses incurred in relation to the launch of a new sub-fund will exclusively be borne by and paid out of the assets of such sub-fund.

Fees and expenses charged to the Fund which are not clearly attributable to one or several sub-fund(s) will be borne by and paid out of the assets of all sub-fund(s) in proportion to the respective capital commitments of the sub-fund.

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

BlueOrange will not receive a performance fee, but members of our Management Team will receive such a fee.

Sub-Fund 1 will pay a performance-based fee to BlueOrange Special Limited Partner SCSp (“Special Limited Partner”). The net income of Sub-Fund 1, after payment of all expenses and liabilities and making such provisions as the Fund GP considers reasonable and appropriate for reserves, will be distributed in accordance with the waterfall distribution as follows:

- a) first, the investors will receive their capital return;
- b) second, the investors will receive a 6% preferred return;
- c) third, 100% of distributions in excess of the preferred return will be paid to the Special Limited Partner until the Special Limited Partner has received pursuant to this subclause (c) an amount equal to 17.647% of the preferred return (“SLP Catch-Up”), so that the amounts received by the Special Limited Partner as SLP Catch-Up represent 15% of the sum of the preferred return and the SLP Catch-Up; and
- d) fourth, as regards distributions in excess of the preferred return and the SLP Catch Up, (x) 85% to the investors and (y) 15% to the Special Limited Partner (distributions to the Special Limited Partner under subclause (c) and (d) are together referred to as the “Carried Interest”).

Upon dissolution of Sub-Fund 1, the Special Limited Partner must return distributions to Sub-Fund 1 to the extent that it has received cumulative distributions in respect of its Carried Interest in excess of the aggregate Carried Interest amounts described above, calculated as of such time. In no event will the Special Limited Partner be required to restore to Sub-Fund 1 more than the cumulative Carried Interest distributions received by the Special Limited Partner from Sub-Fund 1 determined on an after-tax basis.

The payment of Carried Interest creates an incentive for us to recommend riskier or more speculative investments for Sub-Fund 1 than would be the case in the absence of this arrangement.

### **Item 7 – Types of Clients**

Our sole client is LIS, the AIFM of the Fund and its sub-funds. The Fund GP's sole client is the Fund.

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

#### Methods of analysis and investment strategies

We perform an analysis of potential investments before making a recommendation to LIS, who make the final investment decision for the Fund. We utilize an intensive “bottom-up” approach to our analysis of potential investments and co-investments. This analysis includes the following:

- a review of the potential return in relation to the potential risks associated with such return;
- an analysis of the underlying portfolio companies, their historical operating and financial performance, and the estimated performance going forward;
- a review of fund portfolio construction and diversification;
- an analysis of the investment's alignment with the target objectives of the Fund, especially regarding the sustainable development goals' achievement;
- an analysis of the impact of terms and conditions on net return; and
- an assessment of future liquidity events.

Target borrowers include project sponsors as well as small and medium sized enterprises in emerging markets that seek external sources of financing to expand their operations and fund their growth. Target borrowers will meet the eligibility standards of the Co-Investment Partners and will often be prescreened and approved by these Co-Investment Partners. Depending on the characteristics of each transaction, borrowing will be made available directly or indirectly via special purpose vehicles. Investments may be made in US Dollar or other currencies. Sub-Fund 1 may, but shall not be obliged to, use financial derivative instruments for hedging purposes or use credit insurance.

#### Risk analysis and evaluation of potential loss

Prospective investors should be aware that an investment in the Fund involves a high degree of risk and should only be undertaken by investors who are capable of evaluating the risks of such an investment and of bearing those risks. The following points are some investment considerations and risks facing investors given our, and the Fund's, investment focus (“Investments”). Please see the PPM for more information.

- Investments involve a significant degree of risk. There can be no assurance that any targeted returns will be achieved or that there will not be a loss of capital. Therefore, an investor should only invest in the Fund if the investor can withstand a total loss of its investment.
- There is no established market for Investments, nor is a liquid market expected to develop. What market there is has been evolving and is likely to continue to do so.
- The activity of identifying and completing attractive Investments is highly competitive and involves a high degree of uncertainty.

- BlueOrange and the Fund GP have only recently commenced operations and are subject to many of the business risks and uncertainties associated with any new financial services business, including the risk that they will not realize their business objectives.
- Specific individuals at BlueOrange will manage and recommend the Investments. As a result, returns may be particularly dependent on those individuals, and the loss of any such individuals could have a materially adverse effect on the performance of the Investments.
- Investments do not necessarily grant control of the management of the underlying companies, so returns will depend on the performance of those persons unrelated to us or the Fund GP managing the operations of the underlying companies.
- There can be no assurance of selling or otherwise disposing of an Investment at a time that will be economically advantageous.
- In some cases, Investments will be long-term in nature, preventing any distribution prior to dissolution and creating the possibility that an Investment will not be able to be advantageously disposed of prior to the date of dissolution of the Fund.
- The tax considerations of an Investment are complex and uncertain, depending on a number of factors, including the particular Investment, the jurisdiction in which Investment income may be subject to tax, the jurisdiction where an investor is subject to tax, and the applicable laws of any relevant jurisdictions.
- The computers, systems and other IT devices used by us and our service providers to carry out routine business operations employ a variety of protections to prevent service interruptions and/or confidential data leaks. Despite the various protections layers, security can be breached and the Fund and its investors could be impacted. Cybersecurity breaches may cause business operations to be impacted, potentially resulting in financial losses to the Fund; the inability of us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.
- Investments are dedicated to emerging markets, which includes specific risks not always present in developed markets. The risks are: adverse economic, political, social or diplomatic developments; expropriation; confiscatory taxation; exchange controls; or other governmental restrictions. While Investments will be made in a manner that will seek to minimize the exposure to such risks, there can be no assurance that adverse economic political or social changes will not prevent achieving our investment objectives. Furthermore, any fluctuation in currency rates and potential financial markets volatility may affect the value of the Investments (in some cases, materially).

#### **Item 9 – Disciplinary Information**

There is nothing to report.

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

Members of the Management Team hold dual or multiple roles. Dual or multiple roles involve conflicts of interest. We have designated back-ups when one of these persons is required to perform a second role that involves a conflict of interest. We also require recusal from discussions and voting or certain decision-taking that involves a conflict of interest. In the case of the CCO, we have compliance staff members who will step in and fill this role.

BlueOrange, the Fund GP and the individual members of the Management Team are not registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, or are registered or have an application pending to register or be exempt as a futures commission merchant, a commodity pool operator, a commodity trading advisor or an associated person of one of the foregoing.

The research, advice and recommendations generated by BlueOrange and that are given to LIS are “confidential client information” as defined in our Code and shall not be given to or used by any person other than LIS for it to carry out its role. Our Code (Item 11, below), imposes investment restrictions upon BlueOrange and the Fund GP “Access Persons” (defined in our Code). We impose sanctions on the misuse of such information.

As provided for in the PPM, the Fund GP will establish an investor advisory committee (“Advisory Committee”). The Advisory Committee will not participate in a sub-fund’s management or operations, but may be consulted at the Fund GP’s discretion and express a recommendation on such topics as the Fund GP may from time to time refer to the Advisory Committee. The IC may, from time to time and as it considers appropriate, consult with external partners and experts in relevant fields when assessing an investment or divestment proposal. Such external partners and experts shall only be involved in an advisory capacity and shall not be entitled to consider or vote on any matters pending before the IC.

Mr Simon of Total Impact is a Registered Representative of Growth Capital Services, an SEC-registered broker-dealer. He and his colleagues will provide us with research, advice and recommendations with respect to our investment advisory activities. All of these persons are Supervised Persons and Access Persons. We require that they keep all information that they have with respect to BlueOrange separate from any work they do with Growth Capital Services. We review all activities of our Supervised Persons and Access Persons to ensure compliance with all relevant policies and procedures and will take action in the event of issues arising.

Members of the Management Team have or may develop relationships with representatives of borrowers in which a sub-fund invests. These relationships include serving as a member of the board of directors, otherwise giving advice or seeking a co-investor to also invest in such borrower. These relationships will constitute conflicts of interest, and we reserve the right to prevent such role or impose conditions upon it, including, but not limited to, recusal, ring-fencing information or voting, or non-attendance at meetings.

Mr Hertz, the Chief Legal Officer and Chief Compliance Officer of LIS, is a Manager of the Fund GP. He also holds similar roles for other general partners of funds for which LIS serves as an AIFM. He will not participate in investment-making decisions for the Sub-Fund and will not have our confidential client information.

One of our employees has a “connected person” (as defined in our Code) that works in the IDB Invest Strategy Department. We require him and his connected person to comply with our Code and we monitor his communications to help prevent the misuse of confidential client information.

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

We and the Fund GP maintain a code of ethics as required by the Advisers Act. The Code sets forth a standard of conduct expected of all Supervised Persons (as defined in the Code). The Code:

1. establishes standards of conduct for Supervised Persons;
2. requires Supervised Persons to comply with applicable U.S. federal securities laws;
3. imposes personal account trading requirements on Access Persons (defined in the Code);
4. requires our CCO to review Code activities;
5. requires that Supervised Persons receive this Code, acknowledge receipt, understand it and comply fully with it; and
6. requires Supervised Persons to report Code violations.

The Code requires Access Persons that have or have access to confidential client information to comply with pre-clearance and reporting requirements, initial and annual holdings reports and quarterly transaction reports. Subject to compliance with our Code and controls to address conflicts of interest, we permit Access Persons to invest in a sub-fund.

Supervised Persons of BlueOrange and the Fund GP (“BlueOrange Purchasers”) may, subject to pre-investment review and clearance, lend, invest or divest in a borrower after a sub-fund lends, invests or redeems. All such activities are subject to compliance with our Code including pre-clearance, observance of blackout periods and disclosure controls.

A BlueOrange Purchaser may invest in or make a loan to a company that was considered not to be suitable for a sub-fund, subject to compliance with a blackout period, and when the borrower is not on our Restricted List. Such transactions require pre-clearance and compliance with our Code and are monitored by the CCO, who reserves the right not to clear a purchase or require a sale.

We will provide you with a copy of our Code upon request.

#### **Item 12 – Brokerage Practices**

We do not buy or sell assets for the Fund and thus do not engage in any brokerage activities.

#### **Item 13 – Review of Accounts**

BlueOrange will monitor sub-fund activity. However, responsibility for the overall review of loans and investment activity rests with LIS.

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

We do not pay persons to solicit new clients; our only client is LIS.

The Fund GP will seek investors for a sub-fund or appoint brokers to identify prospects for investment and will receive compensation as disclosed in a sub-fund’s offering documents.

#### **Item 15 – Custody**

All sub-fund lending documents and other assets are held by Caceis. The Fund’s financial statements will be audited by an independent public accountant and distributed to all investors no later than 120 days after its fiscal year-end.

#### **Item 16 – Investment Discretion**

BlueOrange will provide non-discretionary sub-advisory services to LIS in respect of the Fund and its sub-funds. It will not exercise discretionary authority. The Fund GP appointed LIS as AIFM, and the Fund GP will act upon LIS's specific investment decisions.

#### **Item 17 – Voting Client Securities**

BlueOrange will not vote proxies in respect of client securities. However, BlueOrange will recommend to LIS how to vote regarding particular client securities.

In the exercise of discretionary authority over assets, LIS votes all proxies for securities in the best interest of the relevant sub-funds.

#### **Item 18 – Financial Information**

There is nothing to report.