



1270 Avenue of the Americas, 7th Floor
New York, NY 10020
Tel: 646-617-1245

CRD Number 298986

October 2018

This Brochure provides information about the qualifications and business practices of CANAL Partners, LLC ("CANAL"). If you have any questions about the contents of this Brochure, please contact John R Cryan at 646-617-1245 or e-mail [JRC@CANAL -PARTNERS.COM](mailto:JRC@CANAL-PARTNERS.COM).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

CANAL is a registered investment adviser. Registration of an Investment Adviser does not imply that CANAL or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about CANAL Investors LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material changes

This is CANA's initial filing and as such there are no material changes. This Brochure will be updated in the future at least annually and periodically to accurately reflect any material changes.

Item 3 - Table of contents

Item 2 - Material changes	2
Item 3 - Table of contents.....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	5
Item 6 - Performance-Based Fees and Side-By-Side Management.....	5
Item 7 - Types of Clients.....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 - Disciplinary Information	9
Item 10 - Other Financial Industry Activities and Affiliations.....	9
Item 11 Code of Ethics, Participation/Interest in Client Transactions, Personal Trading.....	10
Item 12 - Brokerage Practices.....	11
Item 13 - Review of Accounts.....	12
Item 14 - Client Referrals and Other Compensation	12
Item 15 - Custody	13
Item 16 - Investment Discretion	13
Item 17 - Voting Client Securities	13
Item 18 - Financial Information	13

Item 4 - Advisory Business

CANA Partners, LLC (“**CANA Partners**”, “**CANA**”, “**the Firm**” or “**we**”) is a limited liability company formed under the laws of the State of Delaware. The Firm is registered as an investment adviser with SEC pursuant to the Investment Advisers Act of 1940 (the “**Advisers Act**”).

Investment Management and Supervisory Services

CANA Partners was founded in 2018 by W. Anthony Forstmann and John R Cryan who are the principals and owners of CANA. The Firm operates from offices in New York, NY and Greenwich, CT. CANA focuses on investing in equity and equity-related securities and financial instruments, including options and derivatives

Mr. Forstmann serves as Chief Investment Officer and Portfolio Manager for CANA Partners. He has over thirty (30) years of investment experience having managed investor capital over multiple market and economic cycles using long/short strategies. He has extensive industry expertise across the pharmaceutical, biotechnology, healthcare service and technology industries as well as the consumer and retail sector. Mr. Forstmann has a Bachelor of Arts in Economics and Political Science from Yale University.

Mr. Cryan serves as a Portfolio Manager, Chief Financial Officer and Chief Compliance Officer for CANA Partners. He has seventeen (17) years of investing and advisory experience with an emphasis on shareholder value maximization. Mr. Cryan has a Master of Business Administration from the Kogod School of Business at American University and a Bachelor of Arts in Healthcare Administration from Arcadia University.

CANA typically manages client capital in separately managed accounts (“**SMA**” or “**Account**”), each a “**Client**” and collectively the “**Clients**” or “**Client Accounts**”. A SMA is a dedicated account owned by a single investor and governed through an investment management agreement (“**IMA**”) between the account owner and CANA Partners LLC.

CANA typically has the discretion to manage the investment program for each of its SMAs subject to the investment guidelines and restrictions set forth in the IMAs. While the use of SMAs and IMAs provides greater transparency and flexibility to the investor, it also may lead to portfolios that are different amongst each of CANA’s clients. This may result in differences in both investment costs as well as account performance. CANA Partners does not participate in wrap fee programs.

Our advisory services are offered to accredited investors, institutions, trusts and estates, retirement accounts, and business and charitable organizations. Through SMA accounts, CANA offers a “hedge fund” style investment strategy without needing to commit capital to a pooled investment vehicle. In the future, CANA may consider offering clients additional investment structures such as pooled investment vehicles and co-investments.

We may not transfer the management of a Client’s account to another party without the Client’s express written consent.

Assets under Management (Regulatory Assets Under Management)

CANA is relying on rule 203A-2(c), expecting to be eligible for SEC registration within 120 days of filing for ADV.

As of filing date, CANA has \$0 discretionary assets under management (“**RAUM**”).

Item 5 - Fees and Compensation

Management Fee

Clients generally pay an annual management fee ("**Management Fee**") which will vary depending on the client; however, the Management Fee is not to exceed 1% of the net asset value ("**NAV**") of Client Account. The Management Fee is calculated based on the NAV of the Account at the beginning of the month, adjusted for additions and withdrawals of capital pro-rated on a time-weighted basis, and billed monthly in arrears. Management Fees are generally assessed on the Account's NAV based on the valuation policy of CANA. The Client shall direct or otherwise cause the custodian to deduct and pay such Management Fee from the Account to CANA in cash within 30 days after receipt of CANA's invoice for the relevant period. If there are insufficient assets in the Account to pay CANA's Management or Performance Fees, CANA may sell assets in the Account as necessary to generate sufficient cash to pay such fees. If there are insufficient assets in the Account to satisfy the applicable fees, CANA shall invoice Client for such fees, and Client shall pay the invoiced amount no later than thirty (30) days after its receipt of such invoice.

In the event that a Client (i) terminates their Agreement with CANA; or (ii) reallocates any assets away from CANA such that the Account's NAV is reduced below fifty (50%) percent of the initial contribution to the Account within twelve (12) months from the Effective Date of Account opening (the "**Trigger Date**"), then CANA shall be entitled to, and the Client shall pay CANA within thirty (30) days, a guaranteed Management Fee payment equal to 1.0% of the amount of the initial contribution to the Account minus the sum of the amount of Management Fees paid and accrued but unpaid as of the Trigger Date.

CANA's Management Fee includes compensation for the advisory services and other account-related services. CANA does not intend to charge any non-trading expenses to the Client. The Management Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by CANA and Client, and such terms may be outlined in an IMA or separate side letter agreement.

Clients do not pay any charges to CANA except as described in connection with investment advisory services. CANA does not charge commissions to clients. Clients may incur charges for all applicable custodian fees, brokerage commissions, interest, borrowing costs, legal fees incurred at the direction of CANA and expenses incurred with respect to positions in the Account, and withholding or transfer taxes incurred in connection with trading for the Account.

Item 6 - Performance-Based Fees and Side-By-Side Management

CANA is entitled to a performance-based fee ("**Performance Fee**") which is charged to each Client on a twelve (12) month basis on the anniversary of the Account opening ("**Performance Period**"). Performance Fees are not to exceed 15%.

The Performance Fee is based on a percentage of the amount, if any, by which the NAV of the Account (in U.S. dollars, before application of the current Performance Fee and after taking into account the Management Fee and other expenses) as of the end of such Performance Period, exceeds (ii) the NAV of the Account at the end of the prior Performance Period (or if no prior Performance Period, the opening NAV of the Account), adjusted for contributions, withdrawals and other distributions during the Performance Period (such excess, if any, the "Outperformance"); provided that the Performance Fee is paid only on the amount of Outperformance that exceeds the applicable balance in the Loss Carryforward Account

attributable to the Account. For the avoidance of doubt, the calculation of the Performance Fee shall include unrealized gains and losses with respect to all assets in the Account.

A Loss Carryforward shall be established upon the opening of the Account with an initial balance of zero and adjusted as of the end of each Performance Period (after calculation of the Performance Fee for such Performance Period) as follows: the Loss Carryforward Account balance shall be increased by the amount of any realized or unrealized losses (including expenses and Management Fees allocated to the Account) in the Account and decreased by any realized and unrealized gains in the Account. Upon a reallocation of capital out of the Account by Client, the balance in the Loss Carryforward Account with respect thereto, if any, shall be reduced in the same proportion that the reallocation amount bears to the NAV of the Account immediately prior to such reallocation.

Side-By-Side Management and Allocation Policy

A performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. In order to address this potential future conflict, we have adopted an allocation policy and implemented procedures designed to prevent this conflict from arising. Any investment opportunity would generally be allocated pro-rata based on each Client Account's size using the average price, with possible exceptions; during efforts to rebalance or tax manage.

Clients should refer to the IMA for additional or supplementary information regarding the Management Fee and Performance Fee paid by each Client.

Item 7 - Types of Clients

CANA provides investment advisory services to accredited investors, institutions, trusts and estates, retirement accounts, and business and charitable organizations.

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

The investment strategy principally employed by CANA Partners in exercising its investment direction over client accounts involves investing in publicly traded equities and equity-like securities including options; however, subject to the investment guidelines of the IMA, CANA may be authorized to invest in a wide-range of securities. CANA will typically have full authority and discretion to trade such instruments as cash and money market instruments, common and preferred stocks, rights, warrants, bonds, notes, debentures, exchange traded funds, mutual funds, swaps and other derivative contracts, repurchase and reverse-repurchase agreements, and other securities of every name and nature and rights in respect thereof, (ii) to write, buy and sell options on securities, (iii) to sell short, on margin or otherwise, and to cover such short sales, and (iv) to borrow funds for the purpose of trading on margin and to execute such assignments, instruments of transfer, orders and other instruments and to enter into such agreements as may be necessary or proper in connection with the management of the Account

CANA applies a "private equity" approach to investing in public markets. Our approach is a combination of bottom-up fundamental analysis and event-driven strategies. We seek to identify companies that have transformational potential that is unrealized or unappreciated by consensus investors in the market. We blend our investing and corporate finance expertise with our proprietary algorithms and a select group of experts and operating executives

(“**Operating Partners**”) to create a research advantage that drives our investment process. The Firm looks to invest in situations poised for significant capital appreciation and build a concentrated portfolio to take advantage of these opportunities. CANA seeks to capitalize on the capitulation of existing investors and aims to mitigate risk and protect investor capital both through our process and security selection.

Each potential investment candidate undergoes a rigorous research process that focuses both on a bottom-up company analysis as well as a top-down industry/market analysis. This process includes financial statement analysis, study of the industry, competitors, suppliers, and customers. CANA will review and discuss research reports with sell-side research analysts, review trade publications, listen to earnings calls and investor presentations and speak to company management and/or their representatives. Ultimately, the Firm is looking for transformational opportunities (“**Transformative Investing™**”) across multiple dimensions including operational, transactional and external catalysts for unlocking value. The research team has deep knowledge of the corporate transformation, restructuring and shareholder activist playbooks which we use to our advantage. CANA prioritizes investments based on the stage of the transformative journey and the likely magnitude of change, if successful.

In addition, the Firm utilizes Operating Partners to enhance our internal research process. Our Operating Partner network may include individuals or firms that serve as independent contractors and advisors to CANA. Operating Partners provide CANA with proprietary strategic and operational advice related to a potential investment in areas where they have deep domain or specific functional knowledge. Our network of Operating Partners may consist of active or retired executives, current or former investment bankers, management consultants, lawyers, private equity executives, accountants, investors and other professionals. CANA incorporates their views and insights into our deep fundamental research and due diligence process. Each Operating Partner is subject to a rigorous on-boarding and vetting process that involves conflicts-clearing procedures as well as other compliance policies and procedures. CANA is under no obligation to act on, or in accordance with the views of the Operating Partners. Their advice is provided in a non-binding manner to be incorporated into our research process.

Typically, our short-selling of securities follows a similar process in reverse. We use an algorithmic front-end model that seeks to identify companies where the business fundamentals are not as strong as the market price implies and where investor euphoria (“inverse capitulation”) appears unwarranted. We then conduct fundamental analysis to validate our thesis and consider for inclusion in our Client Accounts.

Subject to the investment guidelines of the IMA, CANA may also use options and derivatives at the position and portfolio level where appropriate to mitigate risk and protect our investor’s capital.

At the culmination of our research and due diligence process, investment ideas (both “longs” and “shorts”) that are deemed attractive are considered for inclusion in our Client Accounts. Ultimately, investment decisions and their relative weighting in a Client’s Account are determined jointly by W. Anthony Forstmann and John R. Cryan. In addition, the investment guidelines set forth in a Client’s investment management agreement include security selection and portfolio construction parameters for each Client Account or SMA.

Risk of Loss

The following are certain of the material risks involved in our investment strategy. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

Trading Risk

An investment in a Separately Managed Account (“SMA”) managed by CANA is speculative and involves a high degree of risk. CANA may employ certain trading techniques, such as short selling, options trading and the use of leverage, that may increase the risk of investment loss. Because the SMAs invest primarily in public equities, CANA believes their primary risk of loss is associated with portfolio construction, security selection and broad market movements. Wide and sudden fluctuations in market value can occur. Prospective investors are strongly urged to consult with their own financial, legal and tax advisors, before investing.

Short-selling involves the sale of a security that the investor doesn’t own and must borrow in order to make deliver in the hope of purchasing the same security at a later date at a lower price. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss. In addition, the supply of securities that can be borrowed fluctuates from time to time. An investor may have losses if a security lender demands return of lent securities and an alternative lending source can’t be found.

Like equity securities, options carry no guarantees of profit and are subject to a wide variety of market and risk factors. Be aware it is possible to lose the entire principal invested, and sometimes more. As an options holder, you risk the entire amount of the premium you pay.

We may leverage investment positions by borrowing funds from securities broker dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a Client would likely be magnified to the extent that any of them are leveraged.

Limited Operating History

Our Firm has a limited operating history for prospective Clients to evaluate prior to selecting us as an investment adviser.

Operational Risk

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities

Long Term Investments

Our strategy will frequently require longer-term holding periods for its positions in order to be successful and positions may experience considerable price volatility over such holding periods.

Performance-Based Fee

As described in Item 6, we charge a performance-based fee to the Client Accounts and most likely to any future Client Accounts. A performance-based fee arrangement may create an incentive for CANA to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In order to address this potential future conflict, we have adopted an allocation policy and implemented procedures designed to prevent this conflict from arising. Any investment opportunity would generally be allocated pro-rata based on each Client Account's size using the average price, with possible exceptions; during efforts to rebalance or tax manage.

Counterparty Risk

The Client Accounts will deposit all or substantially all of their assets with its brokers and may choose not to use a bank custodian to hold their assets. Rule 15c3-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") requires a broker-dealer to segregate a customer's cash and fully paid-for securities from the broker-dealer's own assets. If the broker-dealer fails to do so, the Client Accounts may be subject to risk of loss of the assets held by the broker-dealer in the event of the broker-dealer's bankruptcy. In the event of a failure of a broker-dealer used by the Client Accounts, the U.S. Securities Investor Protection Corporation provides a maximum of \$500,000 of account insurance per entity, subject to a limit of \$250,000 for cash. If the Client Account's assets on deposit exceed these amounts, the Client Accounts may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer.

Cybersecurity Risk

CANA's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The implementation of various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly have been undertaken by CANA. The failure of these systems and/or or disaster recovery plans for any reason could cause significant interruptions in CANA's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Clients. Such a failure could harm CANA's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of CANA's information, technology or security systems could have an adverse impact on its ability to manage Client Accounts referred to herein.

Item 9 - Disciplinary Information

CANA has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10 - Other Financial Industry Activities and Affiliations

CANA is affiliated with Forstmann Asset Management, LLC, the family office of W. Anthony Forstmann and his family members. Forstmann Asset Management, LLC maintains separate

operations and employees from CANA but shares common control with CANA through the ownership interest of W. Anthony Forstmann.

Item 11 Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

Code of Ethics Pursuant to Rule 204A-I of the Advisers Act

Pursuant to Rule 204A-I of the Advisers Act, we have adopted a Code of Ethics and Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which employees of CANA or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion. The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must place the interests of our Clients first at all times;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at CANA.

All CANA employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy.

In addition, employees may not acquire securities for their own account in an initial public offering without pre-clearance from the CCO. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies. Employees are prohibited from investing in individual securities outside of CANA.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities, open-end mutual funds, broad based index products, exchange traded funds, money market funds or other instruments which afford the investor no discretion over individual securities. CANA’s Code of Ethics and Employee Investment Policy are available to Clients upon request.

Privacy Policy

We are committed to maintaining the confidentiality, integrity and security of our Client’s personal information. It is our policy to collect only information necessary or relevant to our management business and to use only legitimate means to collect such information. Without Client consent we do not disclose any non-public personal information about our Clients or former Clients to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about our Clients to those employees with a legitimate business need for the information. CANA maintains security practices, physical, electronic, and procedural safeguards to guard Investor’s non-public personal information.

CANA’s Privacy Policy is available upon request.

Item 12 - Brokerage Practices

We have discretionary authority to manage the Client Accounts and most likely future Client Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the IMA with the Client Account.

In selecting an appropriate broker dealer to affect a Client trade, we seek to obtain "best execution," meaning generally the execution of a securities transaction for a Client in such a manner that a Client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker dealer, as well as a broker dealer's full range and quality of services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollar Policy

CANA plans to establish a soft-dollar arrangement with certain executing brokers under which CANA is granted soft-dollar credit for certain client trades. These soft-dollars are used to pay for investment research and brokerage services which are directly related to the firm's investment process.

Consistent with obtaining best execution, brokerage commissions on portfolio transactions may be directed by CANA to a broker or dealer in recognition of research services furnished by the broker or dealer or a designated third party (also referred to as "soft dollar transactions"), as well as for services rendered in the execution of orders by such broker/dealer. In considering such research, CANA first determines that the product or service falls within the definition of brokerage and research services in 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. Once CANA has determined that the relevant product or service falls within Section 28(e), a determination is then made as to whether the amount of commissions paid is reasonable in light of the value of the brokerage and research services provided. In some instances, CANA may receive a product or service that may be used only partially for functions within Section 28(e). In such instances, CANA will make a good faith effort to determine the relative proportion of the product or service used to assist it in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes

outside Section 28(e). The proportion of the product or service attributable to assisting CANA in carrying out its investment decision making responsibilities will be paid through brokerage

Some of these products and services may benefit clients whose accounts are held by other custodians, which could create a conflict of interest between the clients, who are indirectly paying for the products and services, and the clients who are not paying but may benefit from the investment research and brokerage services.

Aggregation of Orders

We generally aggregate trade orders for multiple Client Accounts, which are custodied at the same custodian to achieve more efficient execution or to provide for equitable treatment among the accounts. The Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Allocation

Our policy prohibits any allocation of trades in a manner that favors personal trading accounts or any particular Client(s) or group of Clients over other Client Accounts. We have adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that multiple Client Accounts participate in a particular transaction such transaction will generally be allocated pro-rata among such Client Accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology.

Trade Errors

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Client Accounts. In the event any error occurs in the handling of any transactions due to CANA's actions, or inaction, or the actions of others, our policy is to assess each trade error on a case-by-case basis.

Item 13 - Review of Accounts

The Client Accounts are reviewed on a continual basis by Mr. Cryan as CCO to assure conformity with investment objectives and guidelines.

We engage in active management for the Client Accounts and, accordingly, review our transactions, positions and cash balances on a daily basis.

Clients will receive account statements directly from their chosen custodian on at least a quarterly basis. CANA will supplement these custodial statements each quarter. CANA may provide additional reports during client meetings or upon request.

Item 14 - Client Referrals and Other Compensation

We do not currently utilize any third-party marketers or solicitors; however, it is possible that we may engage third party marketers or solicitors in the future. In the scenario where we engage third party marketers or solicitors, the brochure will be updated accordingly.

Item 15 - Custody

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of Client funds or securities. The Rule requires advisers that have custody of Client funds or securities to implement a set of controls designed to protect those Client assets from being lost, misused, misappropriated, or subject to financial reverses.

Pursuant to Rule 206(4)-2, we are deemed to have custody of our client account's funds and securities because (i) we may debit fees directly from the accounts of such clients and/or (ii) certain clients have executed a letter or instruction or similar asset transfer authorization arrangement with a qualified custodian whereby we are authorized to withdraw client funds or securities maintained with a qualified custodian upon our instruction to the qualified custodian (each, an "SLOA"). The terms of each such SLOA are consistent with the terms described in the February 21, 2017 letter of the Chief Counsel's Office of the Securities and Exchange Commission clarifying custody with respect to a standing letter of instruction or other similar asset transfer authorization arrangement established by a client with a qualified custodian.

The qualified custodian of each client account sends or makes available, on a quarterly basis or more frequently, account statements directly to each client. We urge clients to carefully review these account statements from their qualified custodians and compare the information therein with any financial statements or information received or made available to clients through us or any other outside vendor.

Item 16 - Investment Discretion

CANA has authority to supervise and direct, on an ongoing basis, the investments of the Client in accordance with the Client's predetermined investment objectives and guidelines as defined in the IMA. We are authorized, in our discretion and without prior consultation with the Client, to: (1) buy, sell, exchange, and otherwise trade any stocks, bonds or other securities or assets and (2) place orders and negotiate commissions (if any) for the execution of all transactions in securities with or through such broker dealer underwriters or issuers. Any limitations to such authority will be communicated by the Client to us in writing.

Use of sub-advisers

CANA does not currently engage sub-advisors.

Item 17 - Voting Client Securities

To the extent CANA has been delegated proxy voting authority on behalf of its Clients, CANA complies with its proxy voting policies and procedures that are designed to ensure that in cases where CANA votes proxies with respect to Client securities, such proxies are voted in the best interest of the Client Accounts. Upon request, we will provide our Clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for such Client.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. CANA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.