

Disclosure Brochure



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Bala Capital Group, LLC

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This brochure provides information about the qualifications and business practices of Bala Capital Group, LLC (hereinafter "Bala"). If you have any questions about the contents of this brochure, please contact the firm's Chief Compliance Officer at (610) 545-6100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Bala Capital Group LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

The following material changes to this Disclosure Brochure have been made since the initial filing which was made on March 20, 2018:

Item 4 – Advisory Business has been updated to include information regarding FWM Holding, LLC acquisition of AM Global Family Investment Office, LLC effective January 2, 2019. Investment Advisory Agreements with AM Global's existing clients were assigned to LGL Partners, LLC. Assets under advisement figures were updated accordingly.

Item 10 – Other Financial Industry Activities and Affiliations has been updated to include information about the AM Global Core Fund, LLC which was formerly advised by AM Global and is now advised by LGL.

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Item 4. Advisory Business

Established in 2006, Bala Capital Group, LLC ("Bala") has been in business as an SEC registered investment adviser since March 16, 2018 and is under common control and ownership with FFT Wealth Management, LLC ("FFT") and LGL Partners, LLC ("LGL") through its parent company FWM Holdings, LLC ("FWM"). Effective January 2, 2019, FWM acquired 100% of the assets of AM Global Family Investment Office, LLC ("AM Global"). Prior to 2018, Bala was relying adviser to FFT Wealth Management, LLC. As of December 31, 2017, Bala had approximately \$71,044,950 assets under management, all of which was managed on a discretionary basis. Collectively, including the assets under management of AM Global as of September 30, 2018 and assets under advisement for LGL, FFT and Bala as of December 31, 2017, the entities had combined assets under advisement of \$4,557,321,720. Assets under advisement include private equity, alternatives and other legacy assets on which the firms advise but do not actively manage.

Bala provides investment management services and serves as the general partner to Bala Capital Fund, LLC ("BCF"), Bala Capital Opportunity Fund, LP ("BCOF") and Bala Capital Opportunity Master Fund LTD ("BCOMF") (collectively, the "Bala Funds").

Supervised persons of Bala serve in similar capacities for FFT and LGL. Supervised Persons are any of LGL or FFT's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on LGL's or FFT's behalf and is subject to LGL's or FFT's supervision or control.

Investment Management Services

Bala provides discretionary investment management services to the Bala Funds noted above through alternative investments in accordance with the investment objectives of each respective fund. Alternative investments recommended by Bala exist in the form of private placement securities pursuant to Regulation D under the Securities Act of 1933. Participation as an investor in the private funds is restricted to investors that are either "qualified clients" pursuant to the requirements under Rule 205-3 under the Investment Advisers Act of 1940, or "accredited investors" or "qualified purchasers," as defined under Rule 501 of the Securities Act of 1933. Qualification requirements are noted within each fund's offering documents.

Item 5. Fees and Compensation

Management Fees

Bala receives compensation for their advisory services in the form of management fees from each of the Bala Funds. Fees range .0% to 2.0% depending on the fee structure selected by the investor. Bala receives fees quarterly, in advance, based on the average assets for the prior quarter. Each investor's share of the management fee is debited monthly from the investor's capital account based on the net asset value of the account and the investor's applicable fee rate. Fees for partial periods are prorated accordingly. Upon redemption, investor's continue to pay management fees up to the day the investor's assets are redeemed. Fees will also continue to be charged on any investor assets "held back" in connection with a full redemption until they are paid pursuant to the partnership agreement. Bala, in its sole discretion, may reduce or waive management fees.

Fees vary depending on the series/class of share selected. Details on the various fee structures are provided in each funds offering documents. The Bala Capital Opportunity Fund, LP ("Feeder Fund") and the Bala Capital Opportunity Master Fund LTD ("Master Fund") operate in a "Master Feeder" fund structure. As such, management fees will only be assessed by the Master Fund.

Performance-Based Fees

Each of Bala Capital Fund, LP and Bala Capital Opportunity Master Fund, LTD allocate to Bala, as GP to the Bala Funds, a performance-based fee (or allocation) equal to a percentage of the aggregate net profits (including both realized and unrealized gains and losses) associated with each investor's account. Performance-based fees range from 0%-15% depending on the series/class of share selected. The payment of fees is subject to a "high watermark" meaning that no performance fees are assessed on capital accounts where an investor has unrecovered net losses subject to a "loss carry forward." For any account subject to a loss carry forward, loss carry forwards will be adjusted proportionately for capital account redemptions. Performance based fees are generally collected annually based on the capital account values as of December 31 of each year. In the event an investor redeems prior to year end, the fund will calculate any performance fee payable at that time.

The Feeder Fund and the Master Fund operate in a "Master Feeder" fund structure. As such, performance-based fees are only assessed at the Master Fund Level.

Although management fees and performance fees are generally not negotiable, the funds offer various fee and allocation structures from which investors may choose. Bala may, at its sole discretion, reduce or waive management and or performance-based fees. Bala also waives management and performance fees for partners of Bala and affiliated employees.

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

As mentioned in item 5 above, Bala is entitled to receive performance-based fees. Performance-based fees may potentially represent a conflict of interest in that Bala could be incented to take higher levels of risk than it would absent such a fee. In addition, certain Bala affiliates, which do not impose similar performance fees, might benefit from investments in the same or similar alternative investment products. Bala, as well as its affiliates, recognize that a potential conflict of interest exists and has controls in place to ensure that investment allocations are made in the best interest of both the affiliates' clients and the Bala Funds.

Item 7. Types of Clients

As mentioned in Item 4, Alternative investments recommended by Bala exist in the form of private placement securities. Bala clients are the Bala Funds which are exempt from registration as securities offerings under Rule 506 Regulation D of the Securities Act. Participation as an investor in the Private Funds is restricted to investors that are either "qualified clients" pursuant to the requirements under Rule 205-3 under the Investment Advisers Act of 1940, or "accredited investors" or "qualified purchasers," as defined under Rule 501 of the Securities Act of 1933. Investor qualification requirements are noted within each fund's offering documents.

Item 8. Methods of Analysis, Investment Strategies and Risks of Loss

Investment Strategy

Bala invests in a diversified group of alternative investments across a variety of asset classes. The firm analyzes each investment opportunity and focuses on complementary investments that are diversified.

Once the manager and instrument selection is complete and capital is allocated, the process continues with monitoring. The firm monitors portfolios and allocations to see if managers are performing according to expectations.

Material Risks

Bala invests only in private placement investment vehicles ("Portfolio Funds"). The managers of these vehicles ("Portfolio Manager") will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The Portfolio Funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. Portfolio Funds may also invest in thinly traded or illiquid securities. The absence of a liquid market may force underlying Portfolio Managers to hold unwanted securities or sell them at a significant discount.

Portfolio Funds used by Bala may be subject to certain restrictions which limit or restrict Bala's ability to reallocate or redeem its investment. Many Portfolio Funds have "lock up" periods and/or "gates." These mechanisms may prevent or restrict Bala's ability to redeem its entire investment promptly.

Risks of Portfolio Manager Strategies and Execution. A Portfolio Manager may use proprietary investment strategies that are based on considerations and risk factors that are not fully disclosed to Bala. These strategies may involve risks under some market conditions that are not anticipated by the Portfolio Manager, Bala or a Bala Fund. The Portfolio Managers may also use investment strategies that differ from those typically employed by traditional stock and bond Portfolio Managers. The strategies employed by the Portfolio Managers may involve significantly more risk and higher transaction costs than more traditional investment methods. In addition, Portfolio Managers may fail to execute their strategy efficiently or consistent with past experience which may lead to underperformance or losses to a Bala Fund. Bala attempts to reduce these risks by allocating the investments of a Bala Fund across a variety of different Portfolio Managers. However, it is possible that the performance of the Portfolio Managers may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to a Bala Fund and its investors.

Multi-manager strategies- Bala does not have any control or input over the securities purchased by underlying Portfolio Fund managers. While Bala controls the overall Bala Fund strategy, Bala does not control the underlying funds' asset allocation, portfolio weightings or timing of purchases and/or sales. As a result, underlying holdings could conflict, compete or offset each other. Clients in the Bala funds could potentially pay fees and expenses for competing or offsetting positions that result in no economic benefit to the fund. Portfolio Managers may also use similar strategies or securities to achieve their individual objectives. As a result the funds may be less diversified than they would be if Bala were managing the portfolio and underlying securities directly.

Underlying Portfolio Managers generally charge management and performance fees based on the performance of their underlying portfolio. As a result, the fund may pay management and/or performance fees to certain underlying Portfolio Managers even when the overall Bala Funds' performance may be negative.

Dependence upon Bala and the underlying Portfolio Managers. The success of a Bala Fund will depend upon the ability of Bala, through the underlying Portfolio Managers, to develop and implement

investment strategies that achieve Bala Funds' respective investment objectives. Subjective decisions made by Bala and/or the Portfolio Managers may cause a Bala Fund to incur losses or miss profit opportunities. Although Bala monitors each fund's portfolio strategy, it cannot cause the Portfolio Managers of underlying Portfolio Funds to take or not take any specific actions. Also Bala and its principals are actively engaged in other business activities with Bala affiliates. Accordingly, Bala and its principals do not devote their full time and attention to the operations of the Bala Funds.

Nature of Securities Investments. Bala Funds, through the Portfolio Funds, invest substantially all of its assets in securities, some of which may be particularly sensitive to economic, market, industry, interest rate movements and other variable conditions beyond Bala's control. The markets in which a Bala Fund, through the underlying Portfolio Funds, expect to invest, can also be subject to significant volatility and losses. While Bala attempts to minimize such risks through diversification, no assurance can be given that Bala will be successful in its efforts and when an adverse event might occur which could result in significant losses to a Bala Fund.

Investments in Bankrupt or Restructured Companies. A Bala Fund, through the Portfolio Funds, may invest in securities of companies that are experiencing significant financial or business difficulties or are in default of their obligations, including companies involved in bankruptcy or other reorganization proceedings. Such investments, while potentially rewarding, require a level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties. There is no assurance that Bala or the applicable Portfolio Manager(s) will correctly evaluate such opportunities. It is also possible that an underlying Hedge Fund may be required to accept cash or securities with a value less than such Bala Fund's investment.

Investments in Illiquid Securities. A Bala Fund, through the Portfolio Funds may invest in assets for which there is no ready market or which require an extended holding period, and assets acquired with the expectation that they are liquid may become illiquid and require an extended holding period. A Bala Fund may also acquire interests in Portfolio Funds that require an extended period of committed investment. As a result, the underlying Portfolio Manager may restrict or delay withdrawal rights of Bala in the applicable underlying Portfolio Fund. In addition, Portfolio Funds may determine to satisfy a withdrawal by a Bala Fund by distributing to a Bala Fund its pro rata share of such illiquid investments ("distribution in kind"), even though such investment may carry significant or complete restrictions on transfer prior to the occurrence of specified events. Limitations on withdrawal imposed by a Portfolio Fund on a Bala Fund or the disposition of illiquid securities to a Bala Fund could, in turn, be applied to the underlying investors of the Bala Fund(s) affected.

Use of Leverage. Portfolio Managers may use leverage as part of their investment strategy and Bala has no control over the amount of leveraged used. Leverage generally amplifies the gain or loss on an investment, and may result in greater volatility than experienced by investment pools that do not use leverage. If used incorrectly, Leverage can result in increased losses to a Bala Fund.

Risks of Options. Options are a form of leverage and can increase risk of loss. A Portfolio Manager may close out a position as a buyer or writer of an option only if a liquid secondary market exists. There are risks inherent in the use of such instruments. One such risk is that the Portfolio Manager could be incorrect in its expectations as to the direction or extent of various interest rate or price movements or the time span within which the movements take place. If used incorrectly, a Portfolio Fund may incur significant losses in a relatively short period of time.

Other Derivative Investments. Derivatives include futures, options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Furthermore, many derivatives are leveraged, and thus provide significantly more market exposure. As a result, a relatively small adverse market movement could result in losses exceeding the original amount invested. Derivatives are also subject to liquidity risk, risk of non-performance by the swap counterparty as well as the credit worthiness of the swap counterparty. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be initiated nor liquidated. This could prevent an underlying Portfolio Manager from promptly liquidating unfavorable positions and subject the Portfolio Fund to substantial losses.

Short Sales. An underlying Portfolio Manager may engage in “short sales” where it believes a security is overvalued. Short sales are sales of securities the Portfolio Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and the Portfolio Fund will be able to make a profit by purchasing the securities at a later date at the lower prices. The Portfolio Fund will incur a loss on a short sale if the price of the security has increased prior to the time the Portfolio Fund purchases the security to replace the borrowed security. Conversely, the Portfolio Fund will realize a gain if the security declines in price by such time. A short sale may present greater risk than purchasing a security since there is no ceiling on the possible cost of replacing the borrowed security.

Event-Driven Investments. A Portfolio Fund may seek to purchase securities at prices below their anticipated value following the occurrence of a particular event, including proposed mergers, tender offers or similar transactions. Such purchase price may be in excess of the market price of the securities immediately prior to the announcement of the proposed transaction. If the proposed transaction is not consummated or is delayed, the market price of the security may decline and result in losses to the Portfolio Fund. Even if the proposed transaction is consummated, there is no guarantee that a successful transaction will result in the realization of anticipated value.

Foreign Securities. Certain Portfolio Funds may invest in securities and instruments in global markets. Such investments involve substantial risks not typically associated with investing in U.S. securities. Investments in such foreign securities may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad). Other risks associated with foreign securities include political and economic developments abroad, the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Portfolio Funds’ assets and any effects of foreign social, economic or political instability. Foreign companies are also not subject to the regulatory requirements of U.S. companies and, as such, may have less publicly available information.

Debt Securities. Portfolio Funds may invest in debt securities of issuers in financial distress. Distressed securities specialists typically invest in the securities of companies undergoing bankruptcy or reorganization. Volatility of returns is greatest among those Portfolio Funds investing in high yield debt while lower volatility investments would typically include senior secured debt.

Investments in Fixed-Income Securities. The Portfolio Funds may invest a portion of their capital in bonds or other fixed income securities, including, without limitation, notes and debentures issued by corporations; debt securities issued or guaranteed by governments or agencies or instrumentalities thereof; commercial paper; and “higher yielding” (and, therefore, higher risk) debt securities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

Collateralized Debt Obligations. Certain of the Bala funds will invest with Portfolio Managers that invest a portion of their capital in collateralized debt obligations (“CDOs”), including CLOs and other structured credit vehicles. CDO collateral may consist of residential mortgages, commercial mortgages, other asset backed securities, other high-yield debt securities, loans, and other instruments, which often are rated below investment grade or of equivalent credit quality. The market values of CDOs tend to be more sensitive to changes in market or economic conditions than other securities.

CLO Investments. Certain of the Bala funds may invest with Portfolio Managers that invest a portion of their capital in collateralized loan obligations (“CLO”). CLO Investment securities are, generally, limited recourse obligations of the issuer thereof (the “Issuer”) payable solely from distributions on, and sale proceeds of, the underlying assets owned by the Issuer. If the distributions on and sale proceeds of the underlying assets are insufficient to make required payments on the securities, no other assets will be available for the payment of such deficiency and following the distribution of such distributions and proceeds to the holders of the securities, the obligation of the Issuer to pay such deficiency will be extinguished.

The underlying assets are subject to credit, liquidity and market and interest rate risks. Changes in the market value or fair value of underlying assets could result in defaults that may in turn reduce or halt the distribution of cash to the Fund or trigger a liquidation of an investment.

Other Types of Investments by Portfolio Funds. Each Bala Fund’s investment strategy is to invest with a range of Portfolio Funds that engage in different investment strategies and use a variety of investment techniques. Each of these strategies and techniques may be non-traditional and involve substantial risks. Although several of these risks are discussed in other risk factors herein, it is impossible to identify all such risks, particularly since a Bala Fund’s investments in Portfolio Funds are subject to change.

Economic and Regulatory Climate. The success of the investments by the Portfolio Funds and, therefore, a Bala Fund’s performance, will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Bala Fund’s investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These and other factors may affect, among other things, the level and volatility of securities’ prices and the liquidity of a Portfolio Fund’s investments.

Concentration of Investments. Although Bala will seek to maintain a diversified portfolio for each Bala Fund, there is no assurance that a Bala Fund will be adequately diversified in all

market conditions.

Item 9. Disciplinary Information

Bala is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Bala does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activity and Affiliations

Bala is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

In June 2017, Wealth Partners Capital Group, LLC ("WPCG") through an investment in Bala's parent company, FWM Holdings, LLC ("FWM") acquired an indirect equity interest in Bala. While there is no present intention to do so, WPCG has the right to acquire additional equity interests in Bala through its parent company FWM. In total, WPCG's ownership could exceed fifty percent. In that case, WPCG would possess governance rights of a majority owner. WPCG's equity interest in Bala is structured so that it maintains operational autonomy in managing its business. WPCG does not have any role in the day-to-day management of Bala. WPCG also holds equity interests in certain other investment adviser's ("WPCG Advisers"). Each of the WPCG Advisers, including Bala, operates autonomously and independently. Neither WPCG, nor any of WPCG's affiliates has any involvement or influence in Bala's selection of Portfolio Managers. As such, WPCG's ownership interest in Bala does not, in Bala's view, present any potential conflict of interest for Bala's selection of Portfolio Managers.

Other Investment Advisers

Bala is under common control with FFT and LGL. Each of Bala, FFT and LGL are separately registered advisers. Certain principals and Supervised Persons of Bala also serve in the same or similar capacity for FFT and LGL.

Private Collective Investment Vehicles

LGL serves as the named investment adviser and/or general partner to the AM Global Core Fund, LLC (the "Core Fund"). Interests in the Core Fund are privately offered pursuant to Regulation D under the Securities Act. The Core Fund currently relies on an exemption from registration under the Investment Company Act of 1940, as amended.

Participation as an investor in the Core Fund is restricted to investments that are qualified clients pursuant to the requirements under Rule 205-3 under the Advisers Act as well as are "accredited investors" as defined under the Securities Act.

To the extent certain of LGL's individual advisory clients qualify, they may be eligible to participate as limited partners in the Core Fund. Investment in the Core Fund involves a significant degree of risk. All relevant information, terms and conditions relative to the Core Fund, including the compensation received by the investment adviser or the general partner, suitability, risk factors and potential conflicts of interest, are set forth in the Confidential Private Offering Memorandum, the Limited Partnership Agreement and the Subscription Agreement, which each investor is required to receive and/or execute prior to being accepted as an investor in the Core Fund.

Item 11. Code of Ethics

Bala and persons associated with Bala ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Bala's policies and procedures.

In addition, Bala's Code of Ethics also includes policies and procedures prohibiting the use of material, non-public information that are designed to prevent insider trading by an officer or employee of the Registrant.

Bala's Code of Ethics sets forth the standards of conduct expected of its Associated Persons and requires compliance with applicable securities laws. In accordance with Section 204A of the Investment Advisers Act of 1940, as amended, (the "Advisers Act"), the Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Bala or any of its Associated Persons. The Code of Ethics also requires that certain of Bala's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically permitted in Bala's Code of Ethics, none of Bala's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any Bala Fund. When Bala is purchasing or considering for purchase any security on behalf of a Bala Fund, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Bala is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Item 12. Brokerage Practices

Bala and the Bala Funds only invest in alternative investments that are not publicly traded. Accordingly, Bala does not utilize or recommend broker dealers to effect trades in the Bala Funds. The underlying Portfolio Funds in which the Bala Funds invest are managed by unaffiliated third party managers. The third party managers have the discretion to execute trades with broker dealers of their choosing. Neither Bala nor the Bala Funds have any control over broker dealers used by the underlying Portfolio Managers.

Item 13. Review of Accounts

As part of an ongoing process, Bala monitors Bala Fund portfolios monthly to ensure investment selections continue to meet the stated objectives of each respective fund.

Item 14. Client referrals and other Compensation

Bala is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Bala is also required to disclose any direct or indirect compensation that it provides for client referrals. Bala has nothing to report with respect to these items.

Item 15. Custody

As the General Partner to the Bala Funds, Bala is deemed to have custody of the funds and securities for these entities. Each fund is audited at least annually by a PCAOB-registered and inspected accountant. Audited financial statements are prepared in accordance with generally accepted accounting principles and are distributed as required or, if the financial statements cannot be distributed in a timely manner, the funds are submitted to the surprise custody audit requirement under Rule 206(4)-2 under the Advisers Act.

Fund administration and actual custody for each of the Bala Funds is provided by an unaffiliated third party administrator and custodian. In addition to monthly statements, investors receive annual audited financial statements prepared by an independent public accountant and delivered to clients annually.

Item 16. Investment Discretion

Bala manages the Bala Funds' assets on a discretionary basis. Accordingly, Bala determines the Portfolio Manager(s) to be hired or terminated, the Portfolio Funds to be purchased or sold, the amount /sizing of each position and the timing of purchases and sales (subject to the Portfolio Fund's requirements).

Item 17. Voting Client Securities

As an investor in collective pooled vehicles, Bala has no direct interest in the underlying securities of the pooled vehicle in which Bala funds invest. Accordingly, Bala does not vote on any proxy related issues.

Item 18. Financial Information

Bala is not required to disclose any financial information pursuant to this Item as the firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. Bala has never been the subject of a bankruptcy petition and does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Bala Funds.