

Part 2A: Firm Brochure (the “Brochure”)

ITEM 1 - COVER PAGE

Henley USA, LLC

**275 Grove Street
Suite 3-103
Newton, MA 02466**

(617) 307-5850

<https://investors.henleyus.com>

January 2019

This brochure provides information about the qualifications and business practices of Henley USA, LLC (“Henley” or the “Firm”). If you have any questions about the contents of this brochure, please contact Garrett Solomon, Henley’s Chief Compliance Officer (“CCO”) at (617) 307-5860 or garrettsolomon@henleyinvestments.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.

Additional information about Henley USA, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to Henley USA, LLC as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training.

ITEM 2 - MATERIAL CHANGES

This brochure is the initial registration filing of Henley USA, LLC and therefore there is no relevant information to disclose in response to this Item. This brochure should be read in its entirety.

ITEM 3 - TABLE OF CONTENTS

	Page
ITEM 1 - COVER PAGE	I
ITEM 2 - MATERIAL CHANGES	II
ITEM 3 - TABLE OF CONTENTS.....	III
ITEM 4 – HENLEY USA, LLC ADVISORY BUSINESS.....	1
ITEM 5 – FEES AND COMPENSATION	1
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	2
ITEM 7 – TYPES OF CLIENTS	2
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGY AND RISK OF LOSS.....	3
ITEM 9 – DISCIPLINARY INFORMATION	10
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	10
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	10
ITEM 12 – BROKERAGE PRACTICES	12
ITEM 13 – REVIEW OF ACCOUNTS.....	12
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....	12
ITEM 15 – CUSTODY	12
ITEM 16 – INVESTMENT DISCRETION	12
ITEM 17 – VOTING CLIENT SECURITIES.....	13
ITEM 18 – FINANCIAL INFORMATION	13

Part 2A: Firm Brochure (the “Brochure”)

ITEM 4 – HENLEY USA, LLC **ADVISORY BUSINESS**

Henley USA, LLC, a Delaware limited liability company, was organized in 2016 and is headquartered in Newton, MA. GJS HUSA, LLC, a Delaware limited liability company, and Henley Investment Management Inc., a Delaware corporation, are the principal owners of the Firm. Garrett Solomon is the principal owner and Managing Member of GJS HUSA, LLC and Ian Rickwood is the principal owner of Henley Investment Management Limited, the sole owner of Henley Investment Management Inc.

Henley and its affiliates currently manage a number of real estate investments; each of these investments is owned in a separate limited partnership for which an affiliate of Henley serves as general partner (each, a “**General Partner**” and, collectively, the “**General Partners**”). These businesses and the partnerships that hold them are referred to as the “**Portfolio Companies**.”

Henley provides discretionary investment advisory services to eleven private funds (the “**Private Funds**”). Henley advises the Private Funds on matters related to the acquisition, disposition, and management of interests in the Portfolio Companies managed by Henley and its affiliates. Henley manages the assets of these Private Funds on a discretionary basis.

The Private Funds are managed in accordance with the investment objectives, strategies, restrictions and guidelines, as described in the relevant offering documents and governing documents of the Private Funds. The Firm generally does not tailor its advisory services to the individual needs of those persons or entities that invest in the Private Funds, and investors in the Private Funds may not impose restrictions on investing in certain securities and other financial instruments.

Henley does not participate in wrap fee programs.

Henley currently provides discretionary investment advisory services to eleven Private Funds with a total of \$397,215,903 in assets under management.

ITEM 5 – FEES AND COMPENSATION

The Firm uses varying fee structures for each of the Portfolio Companies, each detailed in the respective governing documents of each Portfolio Company. These fee structures will generally include an acquisition fee in the form of a set percentage of the purchase price (the “**Acquisition Fee**”). Such Acquisition Fee may be due and payable in two parts. A portion of the Acquisition Fee shall be paid to the Firm on the completion of the acquisition. The remaining portion of the Acquisition Fee shall be paid to the Firm on the divestiture date. Each Portfolio Company shall also pay the Firm a monthly asset management fee in a set amount (the “**Asset Management Fee**”) during the period that the Portfolio Company is the owner of the investment. Each Portfolio Company shall also pay the Firm a one-time due diligence insurance fee of a set percent of the purchase price of the investment (the “**Due Diligence Insurance Fee**”). A portion of the Due Diligence Insurance Fee shall be paid to the Firm on the completion of the acquisition. The remaining portion of the Due

Diligence Insurance Fee may be required to be paid to the Firm on the divestiture date. Each Portfolio Company shall also pay the Firm a one-time financing fee of a set percentage of the total capitalization (i.e., the total amount of the equity and debt, including without limitation general partner equity and unfunded reserves, raised at closing) (the "**Financing Fee**"). A portion of the Financing Fee may be required to be paid to the Firm on the completion of the acquisition. The remaining portion of the Financing Fee shall be paid to the Firm on the divestiture date. These payments and percentage amounts will be calculated as set forth in the governing documents of each Private Fund and may be subject to adjustment. Additionally, the Firm receives performance-based fees (see Item 6 below for additional information on such distribution).

The Private Funds will pay or otherwise bear all out-of-pocket payments, fees, costs, expenses and other liabilities or obligations related to, associated with, arising from or incurred in connection with the operation and activities of the Private Funds.

The recipients of this Brochure should refer to the governing documents of the Private Funds for specific information about expenses to be borne by the Private Funds.

Neither Henley nor any of its supervised persons accept compensation for the sale of securities or other investment products.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Each Portfolio Company shall also pay the Firm a disposition fee of a set percentage of the gross amount of sales proceeds (the "**Disposition Fee**") upon disposition of the investment. The Disposition Fee payable the Firm is detailed in the offering documents and governing documents for the Private Funds.

The existence of performance-based distributions may create an incentive for a General Partner or Henley to make investments on behalf of the Private Funds or a Portfolio Company that are riskier than would be the case if a General Partner were not entitled to receive such performance-based distributions. Performance-based distributions also incentivize the generation of higher returns upon disposal.

ITEM 7 – TYPES OF CLIENTS

Henley provides discretionary investment advisory services to the Private Funds, each a pooled investment vehicle, and not individually to the Investors in the Private Funds. The Investors in the Private Funds are each "accredited investors" in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Regulation D promulgated thereunder and the Investors in certain of the Private Funds also are "qualified clients", as such term is defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended. In addition, Henley may, in the future, offer investment advisory services to other client accounts or pooled investment vehicles.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGY AND RISK OF LOSS

Henley uses various methods of analysis and investment strategies in formulating its investment advice to the Private Funds. Any investment in securities involves a risk of loss that all of Henley's clients should be prepared to bear.

The investment strategy for the Private Funds is formulated by Henley in a manner that reflects its investment philosophy and will be consistent with the Private Funds' objectives. The Private Funds are expected to primarily invest in underlying Portfolio Companies managed by Henley.

An investment in the Private Funds involves a high degree of risk. The following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a decision to purchase an interest in the Private Funds. Prospective investors in the Private Funds should carefully consider the following investment risks and considerations in evaluating the Private Funds and their business before deciding to purchase an interest in the Private Funds. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that the Private Funds will meet their investment objectives or otherwise be able to successfully carry out their investment programs, or that an investor in the Private Funds (each, an **"Investor"**) will receive a return of capital.

No Assurance of Profit or Distributions

These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the securities act and the applicable state securities laws, pursuant to registration. In addition, all transfers are subject to the prior written consent of the General Partner, which consent may be withheld in the sole discretion of the General Partner. There is no assurance that the investments of the Private Funds will be profitable or that any distribution will be made to Investors. The Private Funds will have no source of funds from which to pay distributions to the Partners other than income and gain received on its investments and the return of capital. Any return on investment to Investors will depend upon successful investments being made by the Private Funds. The marketability and value of any such investment will depend upon many factors beyond the control of the Private Funds. Without an exit mechanism in place, it is highly unlikely that certain distributions may be made in kind and could, in connection with the dissolution, winding up and liquidation of the Private Funds, consist of securities for which there is no readily available public market and with respect to which there are substantial transfer restrictions or of securities of entities unable to perform under contractual obligations. The expenses of the Private Funds may exceed its income, and Investors are at risk of losing the entire amount of their contributed capital. The Private Funds' assets will be valued at least once a year to assess the NAV. There is no assurance that the Private Fund' NAV will reflect the actual proceeds on the disposition of the Private Funds' assets. No representation is or can be made as to the future performance of the Private Funds or that the Private Funds will or can receive the level of returns contained in their respective

governing documents. The assumptions are assumptions only and these may not be realized.

Dependence on Key Personnel

Each Private Fund is dependent on the skills and experience of key Henley personnel (“**Key Persons**”) and may be adversely affected if their services or the respective services of any of their Key Persons cease to be available to a Private Fund. The Private Funds’ success depends on its ability to retain the current members of the Firm and to effectively manage the investments. The directors (or equivalent) of each of the Private Funds and other employees of these or other companies and its affiliates who are involved in the operation and/or management of the investment or each of the Private Funds will spend time on matters other than matters involving the investment. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Private Funds. There can be no assurance that the Key Persons will continue to be associated with Henley or any of its affiliates throughout the life of the Private Funds, as they are under no contractual obligation to remain with Henley or any of its affiliates for all or any portion of the term of the Private Funds. In addition, in the event that the Key Persons cannot agree on decisions affecting the Private Funds, the investment results of the Private Funds may be adversely affected.

Portfolio Concentration

Diversification is not an objective of the Private Funds. The Private Funds’ portfolios will each include a single investment. While these portfolio concentrations may enhance total returns to the Investors, such investments generally will involve a high degree of risk. Poor performance by an investment could severely affect the total returns to the Investors, and may be significantly lower than if the Private Funds had invested in more diversified portfolios. Any loss suffered by the Business will not be offset by profits of other operations or investments of the Private Funds, and a total loss of or by the Portfolio Companies will result in a total loss of the Investor’s investment.

General Economic Risks

General economic conditions, interest rates, and the availability of alternate sources of financing may affect the Private Funds’ results, including the value of their investments and their ability to sell them for a profit. Concerns exist regarding the systemic impact of global and domestic economic events, ranging from geopolitical issues that may contribute to increased market volatility and uncertain expectations for the global economy. The Private Funds’ investments may be adversely affected by changes in governmental policies, taxation, housing starts, petroleum prices, minimum wage laws, health insurance laws, other laws and regulations, currency fluctuations, currency exchange controls, and national and international political, environmental and socioeconomic circumstances. Any

of the foregoing events could result in substantial or total losses to the Private Funds in respect of certain of its investments.

General Risks Associated with Changes in Laws and Regulations

The Private Funds, the General Partners, Henley and/or their respective affiliates are subject to risks associated with changes that may generally occur with respect to U.S. federal, state or local laws and regulations, developing interpretations of such laws and regulations, and increased scrutiny by U.S. federal, state and local regulators and law enforcement authorities. Such changes, interpretations and increased scrutiny could result in claims against the Private Funds, the General Partners, Henley and/or their respective affiliates, directly, or indirectly, for actions taken or not taken by the Private Funds, the General Partners, Henley and/or their respective affiliates. Thus, the Private Funds, the General Partners, Henley and/or their respective affiliates face the continuing risk of potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on the Private Funds, the General Partners, Henley or any affiliate of any such legal risk, litigation or regulatory action could be substantial and adverse.

Investments in Troubled Assets

A portion of the Private Funds' investments may involve under performing companies or companies identified by Henley as being in need of additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged, and any investment in them may involve a high degree of risk.

Illiquidity of Underlying Investments

Property investment is viewed by some as a higher risk investment and of a less liquid nature than some other asset classes. There is currently no established secondary market for the sale of the ownership interest of Private Funds. It may be difficult for an investor to realize such investments before the exit of the investment or the dissolution of the Private Funds and there will be no automatic right to redeem. However, subject to the pre-emption rights in the fund agreement or partnership agreement, as applicable, the ownership interest may be sold to third parties. The Private Funds are not open-ended investment companies and the investors are not entitled to redeem their ownership interest or entitled to have their ownership interest re-purchased. Therefore, investors in the Private Funds may not be able to realize their investment during the life of the Private Funds. Although it is hoped that exit routes will be available, there is no guarantee that there will be any exit route for the investors.

An investment in the Private Funds requires a long term commitment with no certainty of return. There can be no assurance that the Private Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit

strategy. The ability of the Private Funds to achieve successful and profitable exits of its investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular investment at the time the Private Funds seek a realization. Consequently, dispositions of such investments may require a lengthy time period. Additionally, the Private Funds may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act. There can be no assurance that private purchasers can be found for the Private Fund investments.

Portfolio Company Management Teams

Each Portfolio Company's day-to-day operations will be the responsibility of such Portfolio Company's management teams. Although the General Partners will be responsible for monitoring the performance of each investment and believe that each Portfolio Company is operated by strong management, there can be no assurance that the existing management team, or any successor management team, will be able to operate the Portfolio Companies in accordance with the Portfolio Companies' plans or expectations.

Ownership of Real Estate

The General Partners anticipate that the Portfolio Companies or their respective affiliates will own, operate, acquire and sell real estate and improvements thereon. Investments in real estate are subject to various risks, including adverse changes in regional, national or international economic conditions, adverse local market conditions, the financial condition of tenants, buyers and sellers of properties, changes in availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies, environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, energy prices, changes in the relative popularity of property types and locations, risks due to dependence on cash flow and risks and operating problems arising out of the presence of certain construction materials, as well as force majeure, uninsurable losses, acts of war (declared and undeclared), terrorist acts, strikes and other factors which are beyond the control of Henley, the General Partners, the Private Funds or the Portfolio Companies. In addition, the Portfolio Companies' indirect investments in real estate generally will be subject to various risks which may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of its properties difficult or unattractive. Increased competition for tenants may require a Portfolio Company to make capital improvements to the property which would not have otherwise been planned. Any unbudgeted capital improvements may divert cash that would otherwise be available for distribution to investors in the Portfolio Companies, including the Private Funds. These

factors may materially and adversely affect a Portfolio Company's, and therefore the Private Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

Commercial Properties Market

Real estate investments can perform in a cyclical nature and values can increase or decrease. Economic, political, foreign exchange and legal issues can affect values as they can with any other investment. Any future downturn in the real estate market could materially adversely affect the NAV of the Companies. Overall conditions within the U.S., European and Global economies could impact the demand for rental accommodation in the region, which could in turn affect the forecast rental income. Investments in real estate are relatively illiquid and therefore may be more difficult to realize than equities or bonds.

Property Risks

As with all properties there is the potential for the investment property to be damaged through any possible event or peril. For risk protection purposes, the properties will be covered by buildings, contents and public liability insurance. Events beyond the reasonable control of the General Partner and/or the Portfolio Companies such as strikes, lock-outs or other industrial disputes, failure of a utility service or transport network, acts of God, terrorism, war, riot, civil commotion, malicious damage, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors could jeopardize the realization of the investment.

Operating and Financial Risks of Portfolio Companies

Any one Portfolio Company could deteriorate as a result of, among other factors, an adverse development in its business, a change in its competitive environment, or an economic downturn. As a result, business that may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support its operations. In some cases, the success of the Fund's investment strategy and approach will depend, in part, on the ability of Henley and such Portfolio Company's management teams to effect improvements in the operations of such Portfolio Company. The activity of identifying and implementing operating improvements and capturing synergies entails a high degree of uncertainty. There can be no assurance that Henley or such Portfolio Company's management team will be able to successfully identify and implement such operating improvements and capture synergies.

It is possible that the investment property will not be fully leased (or not lease to the level projected in the business plan) and as such the property will under-perform and experience periods of financial distress. In these circumstances the rental income from, and capital values of, the Property may not be as high as anticipated.

Financial Leverage

Although the use of leverage and preferred equity may increase the potential investor return from the Private Funds, it also creates greater potential for loss. Prospective investors should be aware that, while the use of borrowing should enhance the net return on investment when the value of a property is rising, it would have the opposite effect where the property's value is falling. In addition, if the fall in the property's value or its revenue generation results in any of the Private Funds breaching the financial and operational covenants contained in the relevant loan agreement or agreements and preferred equity related agreements, then the respective Private Funds may be required to make early repayment of such borrowings in whole or in part to its lenders. If either Private Funds or any Portfolio Company, as a result, is required to make payment in respect of its subsidiaries' borrowings, it may be required to sell the investment at less than its market value (because it would be a 'forced sale') or at a time when there was a general downturn in property values. As a result, the sale price of the investment and thus the returns to Investors could be adversely affected.

The Private Funds expect to maintain financial leverage within each of the Portfolio Companies and may re-leverage an investment in order to achieve this goal. Such leverage may be substantial. Utilization of leverage will result in fees, expenses and interest costs to the applicable Portfolio Companies. If the Private Funds or any Portfolio Company is unable to refinance a Portfolio Company in order to maintain the desired amount of financial leverage, the Private Funds may realize lower than expected returns from the relevant investment and may hold a larger than expected equity investment in that investment. Although the General Partners will seek to use financial leverage in a manner that they believe to be appropriate, the leveraged capital structure of such Portfolio Companies may significantly increase their exposure to adverse economic factors, such as rising interest rates, downturns in the economy, changes in commodity prices or deterioration in the condition of such portfolio companies or investments or their respective industries. If a Portfolio Company cannot generate adequate cash flow to meet debt obligations, for example, the Private Funds may suffer a partial or total loss of capital invested in the Portfolio Company.

Potential Impact of Disruptions in the Financial Markets

Due to disruptions experienced in global financial markets certain risk factors in this section are likely to be particularly heightened. Each of the Private Funds may be affected by uncertainties such as national, regional or international political developments, changes in government policies, changes in interest rates, currency fluctuations and other developments in applicable laws and regulations of the United States, the UK, the Netherlands, Luxembourg and the Isle of Man.

Foreign Exchange Risk

The Investment will be denominated in and incur certain costs or returns denominated in U.S. Dollars; all investor funds will be required to be in U.S. Dollars. If this is not an Investor's home currency, risks relating to underlying movements in the relevant exchange rates may have a material impact on the value of investor's returns. Additionally, investors should consider the risk of exchange rate movements having a material impact on the value of their underlying investment.

Rising Interest Rates

The Portfolio Companies and their respective subsidiaries are exposed to interest rate risk related to certain of its financing arrangements. Certain indebtedness may have a variable interest rate based on various benchmarks, such as the Intercontinental Exchange London Interbank Offered Rate. Although the Portfolio Companies and their respective subsidiaries may hedge a portion of the interest rate risk associated with such indebtedness, a significant increase in interest rates would increase the Portfolio Companies' financing costs and could adversely affect their cash flow.

Data Security

The nature of business involves the receipt and storage of personal and financial information about customers and employees. If a Portfolio Company experiences a data security breach, it could be exposed to government enforcement actions and private litigation. A data security breach may result from actions taken by third party service providers, as well as from actions taken by the Portfolio Company. Additionally, the loss of confidence from a data security breach involving employees could hurt each such Portfolio Company's reputation and cause employee recruiting and retention challenges. Any of these types of data breaches could materially and adversely affect each Portfolio Company's, and therefore the Private Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

Other Operating Expenditures

As the facilities for the existing businesses continue to age, the Portfolio Companies are expected to experience increased repair and maintenance expenditures related to those facilities. Further, the businesses may experience higher property insurance costs as a result of increased rate pressure throughout the insurance industry. There can be no assurance that any such repair and maintenance expenses and increased property insurance expenses will not adversely impact profitability or the ability to control costs in the future.

There is no assurance that the Private Funds will achieve its performance or investment objectives, including without limitation, the location of suitable investment opportunities and achieving any targeted rate of return or return of capital or any target distribution yield. Investors may lose some or all of their invested capital, and prospective investors should not purchase Interests unless they can readily bear the consequence of such loss.

ITEM 9 – DISCIPLINARY INFORMATION

Neither Henley nor any of its officers or employees have been sanctioned or disciplined by any federal securities or commodities regulatory agency, self-regulatory organization or state for any violation of their statutes, regulations or rules nor have they ever been involved in any civil or criminal action relating to any violation of the federal or state securities or commodities laws.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The General Partners of the Private Funds are each an affiliated entity of Henley and certain Henley affiliates and employees may have a financial interest in these entities. The General Partners of the Portfolio Companies also are affiliated entities of Henley and certain Henley employees have a financial interest in those entities. See Item 6 above for a discussion of the potential conflicts of interest created by such affiliations.

Certain affiliates and employees of Henley have financial interests in the Portfolio Companies and serve as directors and officers of the Portfolio Companies or their General Partners. In that capacity, such affiliates and employees will be required to make decisions that consider the best interests of such Portfolio Companies and their equity holders. In certain circumstances, actions that may be in the best interests of the Portfolio Company may not be in the best interests of the Private Funds, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties to the General Partners of the Private Funds and to the Portfolio Companies.

Neither Henley nor any of its affiliates are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Henley nor any of its affiliates are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), Henley has adopted a Code of Ethics (the “**Code**”) that establishes various procedures with respect to investment transactions in accounts (“**Covered Accounts**”) in which any of Henley's employees have discretionary investment authority or exercise effective influence or control.

Henley's Code was adopted to avoid possible conflicts of interest, the inappropriate use of material non-public information and to ensure the propriety of its employees' and its principals' trading activity.

The foundation of the Code is based on the underlying principles that:

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

Covered Account transactions in certain types of securities are monitored by the CCO. Employees must also obtain pre-approval from the CCO before participating in an initial public offering or private placement.

Covered Account transactions are subject to review by Henley's CCO. These records are used to monitor compliance with the foregoing policies.

Participation or Interest in Client Transactions

Henley will investigate and structure potential investments of the Private Funds and the General Partners of the Portfolio Companies, as described in Item 16 below. Principals and employees of Henley may have a material financial interest in these investments by virtue of their relationship to the General Partners of the Private Funds and their investments in the Private Funds as well as ownership in the Portfolio Companies and in the General Partners of the Portfolio Companies. Henley and its affiliates also receive fees and compensation from the Portfolio Companies in which these investments are made. The Code is designed to ensure compliance with the provisions of the offering documents of the Private Funds by addressing potential conflicts of interest involving Henley and its related persons.

A copy of the Code will be provided to the Investors and prospective Investors upon their request.

Privacy Policy

Henley is committed to maintaining the confidentiality, integrity and security of its Investors' personal information. It is Henley's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. Henley does not disclose any non-public, personal information about its underlying Investors to anyone except for servicing and processing transactions and as required by law. Henley restricts access to non-public, personal information about its Investors to those employees with a legitimate business need for the information. Henley maintains security practices, physical, electronic and procedural safeguards to guard each Investor's non-public, personal information. Upon request, Henley will provide a copy of its written privacy policies and procedures.

ITEM 12 – BROKERAGE PRACTICES

Henley provides discretionary investment advice to eleven institutional pooled investment vehicles. It does not have an active brokerage relationship.

ITEM 13 – REVIEW OF ACCOUNTS

Henley consults the Private Funds and its investors on an ongoing basis regarding the Private Funds' portfolios. Henley will review the Private Funds' investments on a regular basis with a view to evaluating, among other things, economic developments, industry outlook and other issues related to the investments.

Henley will provide the investors in the Private Funds with the following reports: (i) audited annual financial statements; (ii) unaudited quarterly financial statements; and (iii) annual tax information necessary to complete any applicable tax returns. Henley also holds annual meetings with the investors in the Private Funds.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Henley may engage a third party placement agent to introduce prospective investors to the Private Funds and to any future clients. Henley expects to agree on terms with any prospective investor on how the placement agent fees will be paid.

ITEM 15 – CUSTODY

Henley is deemed to have custody of the assets of the Private Funds. Therefore, in order to comply with Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”), Henley complies with the pooled vehicle annual audit provision. Annually, upon completion of the annual audit of the Private Funds, Henley shall seek to ensure that the audited financial statements are delivered to Investors in the Private Funds within 120 days of its fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors should carefully review these audited financial statements.

ITEM 16 – INVESTMENT DISCRETION

Henley, subject to the direction and control of the General Partners of the Private Funds, has investment discretion in managing the investments of the Private Funds and in calling additional capital or reinvesting capital for the acquisition of new investments by the Private Funds. The terms of these investments as well as the investment strategy and guidelines around the use of this discretion are described in detail in the Private Funds' offering documents.

Henley assumes, subject to the direction and control of the General Partners of the Private Funds, investment discretion and day-to-day operations over the Private Funds by virtue

of the execution of the partnership agreement of the Private Funds by each Investor in the Private Funds.

ITEM 17 – VOTING CLIENT SECURITIES

Neither Henley nor the Private Funds primarily invests in public securities. Therefore, Henley is generally not in a position to vote public company proxies. However, Henley has established written policies and procedures setting forth the principles and procedures by which Henley votes or gives consent with respect to securities owned by the Private Funds.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the registered investment adviser's financial condition. Henley 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. Henley does not require or solicit prepayment of more than \$1,200 in fees for any client, six months or more in advance, and therefore has not included a balance sheet.