

# **AUREANA CAPITAL MANAGEMENT, LLC**

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This Investment Advisor Brochure (“Brochure”), which is also known as Part 2A of the SEC Form ADV, contains important information about the qualifications and business practices of Aureana Capital Management, LLC (formerly known as Canepa U.S., LLC and Equalia Capital Partners, LLC). Aureana Capital Management, LLC (“Aureana” or the “Adviser”) is registered with the SEC as an Investment Adviser (SEC File No. 801-71777).

The information contained herein is being provided in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered Investment Adviser to provide a written disclosure statement upon entering into an advisory relationship. The information in this Brochure has not been approved or verified by any state securities authority.

Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

If you wish to obtain future updates to this Brochure or have any questions about its contents, please contact us at (212) 677-7011 and/or by email to [info@aureanacapital.com](mailto:info@aureanacapital.com).

**March 2019**

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. As such, various States have also set forth parallel requirements. As a result, this Brochure is a document prepared according to the SEC’s and various States’ new requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. This brochure updates our last annual update in March 2018 and contains the material change outlined below:

- **Executive Officers.**

Gregg Riina was designated as the Adviser’s Chief Compliance Officer and Chief Operating Officer on January 18, 2019.

- **Ownership Structure.**

As of November 1, 2018, the Adviser modified its direct ownership structure whereby Isabel Martinez Lopez maintained her direct ownership through Le Mans Capital LLC.

You will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year, which is December 31 of each year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting us at phone number (212) 677-7011 or by email to [info@aureanacapital.com](mailto:info@aureanacapital.com).

Additional information about Aureana Capital Management, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Aureana Capital Management, LLC who are registered, or are required to register, as Investment Advisor Representatives (“IARs”) of Aureana Capital Management, LLC

## 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 .....	6
Item 6 - Performance-Based Fees.....	7
Item 7 - Types of Clients.....	8
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 - Disciplinary Information.....	9
Item 10 - Other Financial Industry Activities and Affiliations .....	9
Item 11 - Code of Ethics.....	10
Item 12 - Brokerage Practices.....	11
Item 13 - Review of Accounts.....	11
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
Item 19 – Business Continuity and Information Security.....	13

## Item 4 – Advisory Business

### General

Aureana Capital Management, LLC (“Aureana”, the “Firm” or the “Adviser”), formerly known as Equalia Capital Partners, LLC and most recently as Canepa U.S., LLC, is an investment advisory firm that provides portfolio management services to high-net worth individuals and families, open-ended funds and institutions globally.

Currently, Aureana is a discretionary investment manager of Canepa Funds ICAV, an Irish Collective Asset-Management Vehicle constituted as an umbrella fund with segregated liability among several sub-funds, each with its distinct investment strategy. The ICAV is authorized by the Central Bank of Ireland pursuant to the European Communities Undertakings for Collective Investment in Transferrable Securities (UCITS) Regulations 2011 (as amended). Each sub-fund of the ICAV is an open-ended UCITS. Aureana advises the Aureana New World Income Fund, a UCITS sub-fund of the ICAV. The primary investment theme of the sub-fund is emerging markets debt. The investment objectives and the investment strategies of the fund advised by Aureana is described in detail in the prospectus of the ICAV and sub-fund’s supplement and subscription documents. Information about fees and expenses, and other material information may be found in the supplement and are summarized in the Key Investor Information Documents (“KIID”s).

Aureana may also serve as a discretionary investment advisor for private funds. The funds may be organized in the United States or in a foreign jurisdiction as limited liability companies, limited partnerships, trusts, or offshore corporations, partnerships, trusts or any other legal entity. Aureana generally seeks to achieve the investment objectives of a Fund by managing and executing investment strategies on a discretionary basis, in accordance with the fund mandate. The Firm does not act as custodian of the funds’ assets.

Aureana may manage and/or advise on separately managed accounts (“SMAs”), most of which we would maintain discretionary authority (the “Managed Accounts”). The Firm may also manage advisory clients’ assets on a discretionary basis, in which case Aureana typically would make the final investment decisions and place trades for clients pursuant to the appropriate mandate. The Firm does not act as a custodian of advisory client assets; the client has the discretion to select the custodian.

### Tailored Relationships

Aureana develops customized strategies based on the stated investments objectives, risk tolerances, and financial circumstances of each client. While Aureana often selects or recommends a variety of securities for its clients, each client may choose to impose reasonable restrictions on the management of their accounts, including requesting the restriction of particular securities or types of investments. For instance, sometimes

restrictions are imposed by the governing documents of a client (i.e. Corporate documents).

Aureana's IARs work with their clients to identify their investment goals and objectives, as well as risk tolerance, in order to create a portfolio allocation strategy designed to complement the client's financial situation and personal circumstances. In agreement with each client, the Firm documents investment goals and objectives for the client in an Investment Policy Statement.

The initial meeting to review clients' investment portfolios is conducted in person. The initial meeting is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to each potential and current client.

The IAR may periodically recommend to rebalance the client's portfolio to maintain the initially agreed upon strategic and tactical asset allocation. However, no changes are made to the agreed-upon asset allocation in non-discretionary accounts without prior client review and consent.

Clients have ready access to their respective IAR. IAR's are not required to be available for unscheduled or unannounced visits by clients. However, IARs are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

#### Assets Under Management

As of January 31, 2019 Aureana managed approximately \$189,248,423 in assets on a discretionary basis.

#### Additional General Information

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be recommended to clients or engaged directly by the client on an as-needed basis. Conflicts of interest related to recommendations of other professionals will be disclosed to the client in the event they should occur.

Aureana's discretionary and non-discretionary Investment Advisory Agreements (collectively, the "Advisory Agreement") may not be assigned without prior client consent.

As part of their advisory duties and within the scope of client mandates, registered investment advisers of the firm may serve, from time to time, as board members of client portfolio companies.

### Ownership

Aureana's ownership is as follows:

- Heisenberg Global Partners, LLC ("HGP") (50%);
- Le Mans Capital LLC (50%)

HGP is wholly owned by Canepa Global Managers SCS ("CGM"). CTP International Partners, S.à r.l., SPF ("CTP") has a majority interest in CGM. CTP is in turn wholly owned by CTP (BVI) Holdings Limited. Le Mans Capital LLC is wholly owned by Isabel Martinez Lopez.

## **Item 5 – Fees and Compensation**

### Asset and/or Portfolio Management

Clients' portfolios may consist of a variety of financial products, including, but not limited to exchange-traded funds ("ETFs"), mutual funds, equities, bonds, and potentially other products. The investment strategies utilized and portfolios constructed and managed depend on the individual client's investment objectives and goals as provided to the IAR. For tailored relationships, the annual Investment Advisory Fee is either a fixed amount or based on a percentage of the investable assets with the annual fee ranging from 0.50% to 1.5%, depending on the amount and complexity of assets under advisory, to be negotiated with each client, in addition to a performance based fee for qualifying accounts.

Client relationships may be established for which the fees are higher or lower than the fee schedules provided above. In particular, for open-ended funds, the Investment Advisory Fee ranges from .70% to 1.5% depending on the investor share class.

### Fixed Fee and Hourly Agreements

Aureana also provides fixed fee and hourly advisory services for clients who need advice on a limited scope of work. The fixed rate or hourly rate for limited scope engagements varies, yet hourly agreements will not typically exceed \$500 per hour. All agreements involving a fixed fee or hourly rate will be consummated as part of an Advisory Agreement between the client and the Firm. Aureana will debit such fees, as a result, in arrears on a monthly or quarterly basis, as negotiated with each client. Each client's Agreement will describe the frequency in which fees will be debited (e.g., monthly or quarterly). Some fixed fees are priced based on the complexity of work, especially when asset management is not the most significant part of the relationship. All fees are negotiable between the Firm and each client.

### Additional Fee Information

Clients may authorize the Firm to directly debit management fees from client accounts on a quarterly basis. In such instances, management fees are prorated for each capital

contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Alternatively, in some instances, clients may receive an invoice for fees, in which it may choose to pay Aureana directly for its billed fees for the relevant period. The Firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred directly by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by fund managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic funds fees, and other fees and taxes on brokerage account and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. It is the Firm's policy not to accept "kick-backs" or retrocession fees from any third non-affiliated party providing services to the Firm's clients.

#### Expense and Fee Allocation Practices

Aureana has adopted and implemented formal written compliance and supervisory policies and procedures in relation to the assessment and allocation of fees and expenses. Aureana will ensure that it makes full and accurate disclosures in fund offering documents regarding its expense and fee allocation practices. Additionally, Aureana will identify conflicts of interest in its expense and fee allocation practices (e.g. allocation of expenses shared between its funds and the Adviser) as well as ensure that its overall practices are consistent with client disclosures. Furthermore, the Adviser's protocols for expense charging and allocations are reviewed on a regular basis in order to ensure that expenses and fees charged to client accounts are accurate.

#### Termination of the Agreement

Although an Agreement between Aureana and its clients are ongoing agreements and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party with a ninety (90) day advance notice or as agreed upon otherwise between the client and the Firm.

If an agreement is terminated during a period in which the client has already paid Aureana its advisory fees in advance, then the Firm will reimburse, on a pro-rated basis, the remaining advisory fees collected for any service not rendered; these fees will be sent to the client's address of record, unless otherwise directed by the client, within thirty (30) days of termination of the agreement.

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

Adviser has performance fee arrangements with qualified clients (as such term is defined in Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act")). Adviser structures performance fee arrangements subject to Section 205(a)(1) of the Adviser's

Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Adviser includes realized and unrealized capital gains and losses. Accounts that are charged a performance based fee might create an incentive for Adviser and/or the portfolio manager to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. However, Adviser substantially mitigates this risk by measuring outperformance vis-à-vis a benchmark or set of benchmarks above a high watermark level. Furthermore, Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. In accord with UCITS regulations, the UCITS funds managed by the Adviser charge a performance fee when net asset value is above a high watermark level.

## Item 7 - Types of Clients

Aureana provides asset and/or portfolio management services to individuals, high net worth individuals, Personal Holding Companies, Trusts, and Corporations. Aureana also provides portfolio management services to private funds and open-ended investment vehicles. The Firm ordinarily requires each account to have a minimum of \$25,000,000, although smaller amounts may be accepted and maintained at the discretion of the Firm.

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

### Methods and Investment Strategies

Aureana's investment analysis methods include both fundamental and quantitative analysis. Furthermore, the main sources of information include offering documents, Bloomberg, financial newspapers and magazines, inspections of corporate activities, research materials prepared internally or by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and other regulatory bodies, and company press releases.

The investment strategy for a specific client is based upon the objectives stated by the client in the Investment Policy Statement. Strategies may include long-term purchases, short-term purchases, trading, margin transactions, derivatives and other strategies. In some cases, Adviser might advise on private investments made by clients.

### Risks of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks, amongst others:



- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of financial instruments may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial/Credit Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value of securities.

## Item 9 - Disciplinary Information

Investment Firms are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of Firm's management. Firm has no information applicable to this Item. Please visit [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) at any time to view Aureana's registration information and any applicable disciplinary action.

## Item 10 - Other Financial Industry Activities and Affiliations

#### Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

Neither adviser nor its management or associated persons are registered or associated with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or an associated person of the foregoing entities. The Firm has files a Notice of Exemption pursuant to CFTC regulation.

#### Broker-Dealer Registration

Aureana is not registered with the Securities and Exchange Commission (SEC) as a broker-dealer. Aureana's management or associated persons are not registered or associated with any broker-dealers.

#### Other Material Relationships

In accordance with client Fund mandates, and to safeguard and advance client interests, employees of Aureana or other designated persons may serve, from time to time, as directors of certain companies in which clients are invested.

Aureana is also affiliated with several SEC registered investment advisory firms that are under common control with Aureana. Please refer to Form ADV for additional information.

### Item 11 - Code of Ethics

State and SEC regulations impose a fiduciary duty on Investment Firms. As a fiduciary, Aureana has a duty of utmost good faith to act solely in the best interest of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of their dealings. This fiduciary duty is the core principle underlying our "Code of Ethics" and represents the expected basis of all of our dealings with our clients. The Code includes policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment Firm personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

The Firm and its employees may buy or sell securities that are also held by clients; however, the Firm and its employees may not trade their own securities ahead of client trades. Employees must comply with the provisions of the Adviser's Compliance Policies and Procedures, as well as Code of Ethics.

The Chief Compliance Officer of the Adviser Gregg Riina, who, along with his designees, review all employee trades each quarter or more frequently as conducted. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Adviser receive preferential treatment.

The Adviser will provide a copy of the Code to any client or prospective client upon request at the contact information contained on the Cover Page of this Brochure.

## Item 12 - Brokerage Practices

As part of Aureana's relationship with its clients, its Investment Advisory Agreement provides that client may restrict the discretion and direct brokerage to any broker. The Firm is authorized in its Investment Advisory Agreement to select other securities brokers, unless the client directs otherwise in the Agreement. Aureana does not have any referral agreements with broker-dealers at this time related to brokerage selection.

The selection of the broker-dealer will ordinarily be based on which broker is able to effect the transaction efficiently. Additionally, the research and services provided by the broker-dealer with respect to the particular type of investment may be a factor in the selection process. The commissions payable to such broker-dealers may in certain cases be higher than those attainable from other broker-dealers who do not provide such research and services. Ordinarily, such research will be used to service all of the Firm's accounts. Under the Firm's standard Investment Advisory Agreement, the client can revoke the Firm's authority to select the broker-dealer for the accounts.

It is Firm's policy not to enter into soft-dollar arrangements and Firm has no formal soft dollar arrangements. Firm does not consider, in selecting or recommending brokerdealers, whether Firm or a related person receives Client referrals from such brokerdealer.

## Item 13 - Review of Accounts

Account reviews are performed periodically, no less than quarterly by each IAR and by Aureana's CCO or his/her designee. Account reviews are performed more frequently when market conditions dictate and as requested by Aureana's clients. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Account reviewers are members of the Firm's Compliance Department, with the assistance of IARs of the Firm. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis and where applicable, will receive an account statement or performance report no less than quarterly, and often monthly as activity dictates. In addition to periodic reviews, Firm also performs reviews of its clients' accounts as appropriate based on changes in market conditions, security positions or changes in a clients' investment objective or policies.

#### Item 14 - Client Referrals and Other Compensation

Aureana, from time to time, receives client referrals, and such referrals often come from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. Furthermore, Aureana does not currently accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

#### Item 15 - Custody

Client assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Therefore, aside from debiting fees from its clients' accounts to pay for services rendered, Aureana does not maintain custody of its clients' funds.

#### Item 16 - Investment Discretion

Except for the management of private and public funds, the Firm does not currently, but may in the future, receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

In the case of private and public funds, the Firm may act as discretionary investment adviser, in which case it has the discretion to select the identity and amount of securities to be bought or sold. When selecting securities and determining amounts, Firm observes the investment policies, limitations and restrictions of the clients for whom it advises. Investment guidelines and restrictions are provided to Firm in writing.

## Item 17 - Voting Client Securities

Aureana does not vote proxies on securities. Clients will ultimately be responsible for the voting (or abstaining of voting) of any proxy. Clients will also receive Proxy statements via their custodian.

## Item 18 - Financial Information

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Also, Firm has not been the subject of a bankruptcy proceeding.

## Item 19 – Business Continuity and Information Security

### Business Continuity Plan

Aureana has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key persons. The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients promptly after a disaster that dictates moving our office to an alternate location.

### Privacy and Information Security

Aureana maintains an information security program to reduce the risk that your personal and confidential information may be breached. Furthermore, Aureana is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier and use other techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.