

FORM ADV PART 2A  
BROCHURE

---

**HUIZENGA CAPITAL MANAGEMENT, LLC**

---

2215 York Road, Suite 500  
Oak Brook, Illinois 60523  
630.990.2100  
[www.huizenga.capital](http://www.huizenga.capital)

**March 15, 2019**

This brochure provides information about the qualifications and business practices of Huizenga Capital Management, LLC, an investment adviser registered with the United States Securities and Exchange Commission. If you have any questions about the contents of this brochure, please contact us at 630.990.2100. 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. This brochure does not constitute an offer to sell or the solicitation of an offer to buy any security.

Additional information about Huizenga Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## **Item 2 – Material Changes**

---

Peter H. Huizenga, one of the Principals of Huizenga Capital Management, LLC, passed away on May 2, 2018. Peter's wife, Heidi A. Huizenga, has become an indirect minority owner of Huizenga Capital Management, LLC through The Heidi A. Huizenga Trust u/t/a dated January 7, 2006. Our firm had planned for succession during the past decade and, as a result, our investment process, activities, and day to day operations will remain unchanged.

The aforementioned paragraph describes the only material change since our last annual update dated March 7, 2018.

### Item 3 - Table of Contents

---

	<b>Page</b>
<i>Item 1 – Cover Page</i>	
<i>Item 2 – Material Changes .....</i>	<i>i</i>
<i>Item 3 - Table of Contents .....</i>	<i>ii</i>
<i>Item 4 – Advisory Business.....</i>	<i>1</i>
<i>Item 5 – Fees and Compensation .....</i>	<i>1</i>
<i>Item 6 – Performance-Based Fees and Side-By-Side Management .....</i>	<i>2</i>
<i>Item 7 – Types of Clients.....</i>	<i>3</i>
<i>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....</i>	<i>3</i>
<i>Item 9 – Disciplinary Information.....</i>	<i>8</i>
<i>Item 10 – Other Financial Industry Activities and Affiliations .....</i>	<i>8</i>
<i>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</i>	<i>10</i>
<i>Item 12 – Brokerage Practices.....</i>	<i>11</i>
<i>Item 13 – Review of Accounts.....</i>	<i>12</i>
<i>Item 14 – Client Referrals and Other Compensation .....</i>	<i>12</i>
<i>Item 15 – Custody.....</i>	<i>13</i>
<i>Item 16 – Investment Discretion.....</i>	<i>13</i>
<i>Item 17 – Voting Client Securities.....</i>	<i>13</i>
<i>Item 18 – Financial Information.....</i>	<i>13</i>

#### **Item 4 – Advisory Business**

---

Huizenga Capital Management, LLC (“we” or “HCM”) is an investment adviser based in Oak Brook, Illinois. We are organized as a Colorado limited liability company and have been providing investment advisory services since 2001. Peter H. Huizenga, Jr. and David A. Bradley are the principal owners of HCM with Heidi A. Huizenga having an indirect ownership through The Heidi A. Huizenga Trust.

HCM provides investment advisory services to certain pooled investment vehicles (each, a “Client” or an “Entity”, and, collectively “Clients” or “Entities”). We also provide administrative services to several pooled investment vehicles whose investors consist solely of members of the Huizenga family and, on occasion, HCM employees. These Entities are not part of our investment advisory business.

The services we provide to our Clients fall into two categories. First, we invest certain Client assets directly or through unaffiliated pooled investment vehicles in equity, debt, and equity derivative securities issued by private companies, ventures, or businesses (our “Portfolio Company Business”). Second, we invest certain Client assets with various unaffiliated investment managers in vehicles that those investment managers sponsor (our “Investment Manager Business”). These vehicles are typically known as hedge funds, long-only or long-biased investment managers, venture capital funds or private equity funds. We also retain the ability to invest underlying assets of these Entities directly in other securities or in managed accounts. We make investments for all of our Entities in accordance with the relevant Entity’s investment objectives and strategies and subject to any restrictions, as set forth in its respective private offering memorandum or organizational documents. The methods of analysis, investment strategies, and risks of loss for our Clients are detailed in Item 8 below.

As of December 31, 2018, HCM managed approximately U.S. \$618,659,000 in Client assets on a discretionary basis. We do not manage assets on a non-discretionary basis.

#### **Item 5 – Fees and Compensation**

---

We receive compensation for our advisory services. All fees and compensation are determined upon the establishment of each Entity, may vary across Entities, and are fully disclosed to the relevant investors at or prior to their investment decision.

We receive a management fee ranging from 0% to 1.5% per annum of the applicable Entity’s net assets, the capital invested by investors, or the capital committed by investors. Certain Entities also pay an unallocated expense reimbursement fee of 0.50% per annum of the applicable Entity’s net assets.

We also receive performance-based compensation. Certain investors in our Investment Manager Business pay a semi-annual or annual incentive allocation subject to a high water mark. This allocation is calculated as a range from 0% to 5% of net profits achieved or as a range from 0% to 1% per annum of the investor’s net asset value upon reaching certain agreed-upon rates of return. In connection with an Entity in the Portfolio Company Business, we are allocated a percentage of the profits (e.g., a carried interest) in the range of 0% to 15% of such profits, after investors have received distributions in the amount of their invested capital plus, if applicable, an agreed-upon rate of return.

Certain Entities may incur other fees, depending on the nature of the Entity and its portfolio activities. For example, in our Portfolio Company Business, we may receive transaction, prepayment, or fees paid-in-kind. In addition, we may indirectly receive acquisition, leasing, disposition, or financing fees paid by a third party entity in which our Entities invest. We also receive expense reimbursements and, in certain circumstances, we may receive a contingency fee upon the occurrence of certain events. Any additional payments made to us are fully disclosed to the investors in the relevant Entity prior to their investment decision.

Our fees and allocations are paid by the applicable Entity, generally in arrears, through pro-rata deductions from investors' capital accounts. Investors pay a pro-rated fee with respect to any interests in the Entities that are owned for a partial year. Our fees are generally not negotiable, however in certain circumstances for significant or strategic investors, we may reduce our fees. In addition, fees may be waived or reduced for employees of HCM. Specific details regarding fees, expense reimbursements and/or other compensation and the method of calculation are set out in the private offering memorandum or organizational documents of the relevant Entity.

We also provide administrative services to several pooled investment vehicles, some at no charge, whose investors consist solely of members of the Huizenga family and, on occasion, HCM employees. These Entities are not part of our investment advisory business.

#### Additional Fees and Expenses

The fees that a Client pays to our firm for investment advisory services are separate and in addition to the fees and expenses the underlying hedge funds, private funds, mutual funds, exchange traded funds, managed accounts, or private companies charge to their investors. These fees are described in such funds or accounts prospectus and generally will include a management fee, an incentive fee or percentage of the profits (e.g., a carried interest), and reimbursement of other fund expenses. An investor in an Entity might be able to purchase the same hedge funds, private funds, mutual funds, exchange traded funds, managed accounts or private company interests through other agents or brokers without incurring our investment advisory fees.

Our fees are exclusive of brokerage commissions, custodial fees, transaction fees and other related costs and expenses that are imposed by the broker-dealer or custodian through which the applicable Entity's transactions are directly or indirectly executed. We do not share in any portion of these commissions, fees and costs. These fees typically are deducted on a pro-rata basis from investors' capital accounts as expenses of the applicable Entity. Please refer to "Item 12 - Brokerage Practices" for a description of the factors we consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation.

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

HCM receives performance-based compensation from certain Entities that we manage. Please see “Item 5 - Fees and Compensation” for a description of the fees or allocations we receive from the Entities.

A performance-based fee or allocation creates an incentive for our firm to make investments for an Entity that are riskier or more speculative than would be the case absent a performance based compensation arrangement. In order to address this conflict of interest, we are responsible for ensuring that investments are suitable for each Entity and in compliance with the applicable investment guidelines and objectives.

Performance-based compensation also creates an incentive for our firm to overvalue investments that lack a market quotation. To address this conflict, we have adopted policies and procedures that require our firm to follow an established process to “fairly value” any investments that do not have a readily ascertainable market value.

Certain Clients are subject to performance-based compensation, but certain Clients are not. This is known as “side-by-side management,” which creates a conflict of interest. As noted, generally, these Clients have similar investment guidelines and objectives. Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based compensation. For example, we may have an incentive to allocate limited investment opportunities to Clients who are charged performance-based compensation over Clients who are charged asset-based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) on a fair and equitable basis among our Clients over time, regardless of whether the Client is charged performance-based compensation.

## **Item 7 – Types of Clients**

We offer investment advisory services to certain pooled investment vehicles that are exempt from registration as investment companies with the SEC pursuant to Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended (the “40 Act”). To invest in these Entities, an investor generally needs to make a minimum investment/commitment ranging from \$250,000 to \$1,000,000, although we may accept lesser amounts at our discretion. In addition, investment in the Entities may be limited to “accredited investors” within the meaning of Regulation D under the Securities Act of 1933, as amended, “qualified clients” as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and/or “qualified purchasers” as defined in Section 2(a)(51) of the 40 Act. Each Entity’s private offering memorandum or organizational documents include a complete discussion of the investor eligibility requirements for that Entity.

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

### **1. Portfolio Company Business**

As described in Item 4 above, in accordance with the relevant Entity’s investment strategy, we may invest an Entity’s assets directly or through unaffiliated portfolio companies in equity, debt and/or

equity derivative securities issued by private companies, ventures, or businesses. We source these investment opportunities through our extensive network of valued business and financial relationships. After a potential investment is identified, we engage in due diligence prior to making an investment decision.

Asset allocation and investment selection will be guided by our internal analysis. We typically invest in minority interest, non-control positions in a variety of industries on a private placement basis. If available, our Entities may invest in securities that are senior in distribution and liquidation preference to that of the portfolio company's common equity. On occasion, HCM personnel may serve on a portfolio company's governing board or have "sit-in" rights to participate in its governing board meetings. We invest an Entity's assets in accordance with such Entity's investment objectives and strategies as set forth in its respective private offering memorandum or organizational documents.

### *Risk Factors*

- *Unspecified Investments.* Entities in our Portfolio Company Business are typically formed for the purpose of making a specific investment. For certain Entities, however, we may have complete discretion to select investments as opportunities arise. The investors in our Entities must rely upon our ability to identify and implement investments consistent with each Entity's respective investment objective as set forth in its respective private offering memorandum or organizational documents. Investors in the Entities will have no right or authority to participate in the management or control of the Entities' investments. Investors in the Entities generally will not receive or otherwise be privy to due diligence or risk information prepared by or for our firm in respect of investments by the Entities.
- *No Assurance of Success in Selection of Portfolio Companies.* Our decisions regarding the selection of particular portfolio companies, the timing and size of investments in particular portfolio companies, and the overall mix of portfolio companies at any given time, may prove unsuccessful in generating profits or avoiding loss.
- *Limited Monitoring of Portfolio Companies.* As a minority investor in portfolio companies, we are likely to have limited access to information that might permit early detection of problems. Many portfolio companies do not distribute financial statements until quarter-end or year-end. In addition, an Entity is not likely to have substantial voting rights with respect to any portfolio companies in which it invests.
- *Concentration of Investments.* An Entity's portfolio may consist of investments in one or more companies and often is concentrated in a particular industry area or group. Accordingly, the Entity's investment portfolio may at times be significantly concentrated, both as to industries and individual companies. Such concentration could offer a greater potential for capital appreciation, as well as increased risk of loss. Such concentration also may be expected to increase the volatility of the Entity's investment portfolio.
- *Nature of Portfolio Companies.* An Entity's investment(s) often will include portfolio companies in the early phases of development, which can be highly risky

due to the lack of a significant operating history, fully developed product lines, experienced management, or a proven market for their products. An Entity's investments may include portfolio companies that are in a state of distress or that have a poor record and are undergoing restructuring or changes in management. There can be no assurances that such restructuring or changes will be successful. An Entity's investments may include portfolio companies that invest in certain industries, such as real estate, which could be impacted by adverse factors beyond the control of the portfolio company. The management of such portfolio companies may depend on one or two key individuals, and the loss of the services of any of such individuals may adversely affect the performance of such portfolio companies.

- *Liquidity Risk.* There is no public market for the interests in our Entities nor is any expected to develop. Even if such a market develops, no distribution, resale or transfer of an interest in any Entity will be permitted except in accordance with the restrictions in such Entity's respective organization documents. Any transfer of an interest in any Entity will require consent of that Entity's general partner or manager, as applicable.
- *Tax Implications.* The Entities will generally be organized as limited partnerships or limited liability companies that are taxed as partnerships. As a partnership or a "pass through entity", an Entity generally will not be subject to federal income tax. The income, gain, loss and deductions resulting from an Entity's operations will be allocated to its investors. Each investor in an Entity must report on its income tax return its share of net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss that it is allocated by that Entity. Each investor in an Entity must pay taxes on its allocated share whether or not it has received a distribution from that Entity. If an Entity's preparation of its income tax return is delayed, it will generally be required for its investors to request extensions for filing their own income tax returns. Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise in writing, tax efficiency is not our primary consideration in the management of assets. Regardless of an account size or any other factors, it is strongly recommended that investors in each Entity consult with a tax professional prior to and throughout their investment in the Entity.

## **2. Investment Manager Business**

As described in Item 4 above, we invest certain Client assets with various unaffiliated investment managers. Our investment and due diligence process utilizes qualitative and quantitative analysis, driven by a team approach and guided by risk management principles. We continuously engage in investment manager sourcing and selection, portfolio construction, ongoing evaluation and risk management.

When allocating to investment managers, we rely on our network and contacts within the investment industry to gain introductions to, and referrals for, those managers. This network includes current investment managers, the extended Huizenga family, professional contacts, other family offices, investment consultants and prime brokers.

Our process for selecting investment managers is a multi-step process that incorporates detailed qualitative assessments with quantitative analysis. Prospective investment managers must



complete initial evaluations and screenings and participate in follow-up due diligence meetings. We also may contact references in an effort to determine the depth and quality of the prospective investment manager's operations, as well as the consistency of the performance of the product(s) that we might choose as an investment for an Entity. The purpose of the qualitative analysis is to assess, among other things, the investment manager's strategy, integrity, professional reputation and alignment of interests with its investors. Quantitative analysis is focused on the statistical evaluation of the investment manager's past performance. We use statistical software and other tools to evaluate the consistency and validity of their track record, correlations and standard deviation of returns.

Once we have selected a manager for the portfolio, we determine what we believe is the optimal amount of the relevant Entity's capital to allocate to such strategy. The goal is to construct a portfolio that is designed to maximize overall risk-adjusted performance consistent with the Entity's investment objectives and strategies.

We monitor individual investment manager's performance and Entity portfolio risk, including adherence to the agreed-upon investment strategies. We conduct portfolio reviews, conference calls and on-site visits in an effort to periodically evaluate any organizational, operational and/or strategy-related changes to that investment manager.

Investment managers may utilize a wide range of investment strategies and may invest in a wide variety of securities and financial instruments, domestic and foreign, whether publicly traded or privately offered. These instruments include, but are not limited to, common and preferred stocks, bonds and other debt securities, limited partnership interests, limited liability company interests, mutual fund shares, options, warrants, commodities, futures, swaps, currencies, monetary instruments and cash and cash equivalents.

We also generally retain the ability to directly invest an Entity's assets for investment, hedging, speculative or cash management purposes, in accordance with such Entity's investment objectives and strategies and subject to any investment restrictions, as set forth in its respective private offering memorandum or organizational documents.

#### *Risk Factors*

- *No Assurance of Success in Selection of Investment Managers.* We have authority and responsibility for asset allocation and selection of investments for the Entities. The success of an Entity depends upon our ability to develop and implement investment strategies that achieve the investment objective of the Entity, and upon the ability of the investment managers to develop and implement strategies that achieve their investment objectives. Our decisions regarding the selection of particular investment managers, the timing and size of allocations to a particular investment manager, the overall mix of investment strategies employed by each investment manager at any given time and when or whether an Entity should withdraw capital from a particular investment manager may prove unsuccessful in generating profits or avoiding loss. There can be no assurance that we or any investment manager will be able to select or implement successful strategies or achieve their respective investment objectives.
- *Limited Ability to Monitor Underlying Funds.* As a passive investor in underlying funds sponsored by the investment managers, we are likely to have limited access to information that might permit early detection of problems. Many investment

managers do not distribute performance figures until month-end or quarter-end and, even then, information on their investment positions may be vague. Determining whether an investment manager is adhering to its stated investment objectives, style and restrictions often can prove difficult. An investment manager's revision of its strategy might also make such manager less optimal as part of our Entity's overall mix of investment managers and could even be detrimental to that strategy. In addition, some investment managers may have overlapping strategies or portfolios and thus could accumulate overlapping positions in the same, related or opposing instruments at the same time.

- *Entity Structure Involves Layers of Costs.* In addition to directly bearing fees and expenses arising from an investment in one of our Entities, investors will indirectly bear such Entity's allocable share of the fees and expenses charged by the underlying investment managers. This layering of fees and expenses will increase the Entity's overall expenses, and thus, decrease its investment performance.
- *Compensation is Paid to Investment Managers on a Manager-by-Manager Basis.* Any incentive fee or profit allocation paid to an investment manager will be based on unrealized as well as realized performance and be determined independently of the returns achieved by any other investment manager. Occasions may arise where an Entity is obligated to pay an incentive fee or performance allocation to one or more investment managers even though such Entity has experienced an overall loss for the relevant period. In addition, performance fees paid by an Entity in one period are typically not recoverable in a subsequent period unless subject to a high water mark.
- *Limited Voting Rights.* Investors in the Entities will have no right or authority to participate in the management or control of the Entities or the Entities' investments and will not have an opportunity to evaluate the specific investments or the terms of any investments made by the underlying investment managers. Furthermore, an Entity is not likely to have substantial voting rights with respect to the funds of any underlying investment manager. The Entity's only recourse may be to withdraw from the fund; however, it is possible that the Entity may invest in entities in which we have a predefined term.
- *Withdrawal Process May be Complicated or Subject to a Pre-Determined Duration.* The process of withdrawing from the fund of an underlying investment manager may be lengthy and costly due to potential lock-up periods or early withdrawal fees. Such funds may retain authority to side-pocket all or some of the withdrawal proceeds to avoid having to liquidate investments prematurely to pay our Entity in full, or where it is not feasible to determine the exact value of our Entity's investment as of the date of withdrawal. There is also the potential that the fund will choose to make an in-kind distribution of its portfolio securities.
- *Liquidity Risk.* There is no public market for the interests in our Entities nor is any expected to develop. Even if such a market develops, no distribution, resale or transfer of an interest in any Entity will be permitted except in accordance with the restrictions in such Entity's respective organization documents. Any transfer of an interest in any Entity will require consent of that Entity's general partner or manager, as applicable.

- *Tax Implications.* The Entities will generally be organized as limited partnerships or limited liability companies that are taxed as partnerships. As a partnership or a “pass-through entity”, an Entity generally will not be subject to federal income tax. The income, gain, loss and deductions resulting from an Entity’s operations will be allocated to its investors. Each investor in an Entity must report on its income tax return its share of net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss that it is allocated by that Entity. Each investor in an Entity must pay taxes on its allocated share whether or not it has received a distribution from that Entity. If an Entity’s preparation of its income tax return is delayed, it will generally be required for its investors to request extensions for filing their own income tax returns. Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise in writing, tax efficiency is not our primary consideration in the management of assets. Regardless of an account size or any other factors, it is strongly recommended that investors in each Entity consult with a tax professional prior to and throughout their investment in the Entity.

### ***Risk of Loss***

**Investing in securities involves risk of loss that investors should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate investors from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is not an indication of future performance.**

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

Neither our firm nor any of our management persons have been involved in any material legal or disciplinary events.

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

An affiliated entity of HCM sometimes acts as general partner or manager of an Entity. Such affiliated entity is generally formed solely for such purpose and does not have any obligations to any other Entity or account. In certain circumstances there may be an investment advisory agreement between the affiliated entity, the Entity, and HCM authorizing HCM to serve as investment adviser to the Entity. Dealings between such affiliated entity (acting on behalf of an Entity) and our firm are not “arm’s-length” negotiations.

An Entity may make an investment in one or more other Entities that we manage and/or advise. In order to address this conflict of interest, we are responsible for ensuring that investments are suitable for each Entity and in compliance with the applicable investment guidelines and objectives. HCM does not receive two layers of fees in such circumstances.

Related persons of HCM (including, for purposes of this Item 10, Huizenga family members), directly or indirectly, may invest with the same investment managers or in the same portfolio

companies that HCM recommends, purchases, or sells to or for the Clients. Based on the applicable investment objectives and/or asset allocation(s), such related person may take actions with their own accounts that may differ with the advice HCM may give to, or an investment action HCM may take on behalf of, a Client with different investment objectives and/or asset allocation(s) or may involve different timing than with respect to a Client. As a consequence, the results of the investment activities of a Client of HCM may differ significantly from the results achieved by HCM for other current or future Clients or results achieved by HCM's related persons.

As noted above, HCM provides services to members of the Huizenga family as well as to Clients. From time to time, HCM learns about investment opportunities that are either not appropriate or not economically feasible to offer to its Clients. Where HCM makes a good faith determination that a specific investment opportunity is either not appropriate for its Clients or too small or otherwise not economically viable to be offered to HCM's Clients, HCM reserves the right to offer such opportunities to members of the Huizenga family and/or employees of HCM.

HCM's investment advisory activities on behalf of its Clients may benefit other Clients or its related persons. Conversely, investment activity by HCM's related persons may benefit HCM's Clients. For example, as described above, Clients may, to the extent permitted by applicable law, invest with investment managers with whom HCM's related persons have also invested, or invest in the securities of portfolio companies in which HCM's related persons have an economic interest. It is possible that HCM's Clients or related persons may be offered more attractive investment terms due to a past or current investment by a related person or Client. If an investment opportunity is made available specifically due to a prior investment by a Client, HCM may favor that Client when allocating the new investment, to the extent that the new investment opportunity is suitable for that Client and has similar investment characteristics as the prior investment. It is also possible that, to the extent that HCM's related persons invest with investment managers, the ability of a Client to invest with investment managers may be adversely affected by any limitation on availability of the investment.

HCM may have to allocate limited investment opportunities with investment managers among Clients, to the possible detriment of another Client. Where Clients have competing interests in a limited investment opportunity, it is HCM's policy to allocate, to the extent operationally and otherwise practical, investment opportunities to each Client over a period of time on a fair and equitable basis relative to its other Clients.

Investment managers or their respective principals or employees may make investments in one or more Entities or may purchase securities in which HCM's principals or employees or Huizenga family members directly or indirectly have a position of interest. A potential conflict of interest exists due to the fact that we may be perceived as having an incentive to allocate such opportunity to HCM's principals, employees or Huizenga family members rather than a Client. In order to address this conflict of interest, we are responsible for ensuring that investments are suitable for each Entity and in compliance with the applicable investment guidelines and objectives. We engage in substantial due diligence before investing with any investment manager, as described in "Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss."

We provide administrative services to additional portfolios, trusts and pooled investment vehicles not otherwise described herein whose investors consist solely of members of the Huizenga family or HCM employees. Such services include, but are not limited to, preparing Schedule K-1s, preparing account statements and administering capital calls and distributions. We do not provide investment advisory services to these entities. Such entities either hire outside investment advisers or are self-managed.

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

### **Description of Our Code of Ethics**

We have adopted a Code of Ethics, a copy of which is available to our Clients upon request. We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our firm's officers and employees ("Firm Personnel"). Provisions in the Code of Ethics relate to the confidentiality of Client information, a prohibition on insider trading and personal securities trading procedures, among other things. Our goal is to protect our Clients' interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with Clients. All Firm Personnel are expected to strictly adhere to these guidelines and must acknowledge their obligation to comply with the Code of Ethics on a periodic basis. Our Code of Ethics also requires that certain Firm Personnel submit reports of their personal account holdings and transactions to HCM's Chief Compliance Officer for review for compliance with the firm's policies.

Our firm's principals and employees may serve as officers or directors of, or have similar positions or responsibilities with, private companies in which Client assets are invested. A list of those companies will be maintained by the Chief Compliance Officer and delivered to each person covered by the Code of Ethics. To reduce the possibility that a transaction in a security of such a private company might take place during a time when such person might be in possession of inside information, every transaction in a security of such a company, whether for a Client account or personal account, must be approved, in advance, by the Chief Compliance Officer. Transactions in such securities, if any, by the Chief Compliance Officer must be approved, in advance, by another officer of HCM.

We will provide a copy of our Code of Ethics to any investor or prospective investor in an Entity upon request.

### **Personal Trading Practices**

HCM personnel and family members may have investments in issuers that HCM also determines are appropriate investments for one or more Clients. Those firm personnel who have access to non-public information regarding any Client's purchase or sale of securities, portfolio holdings, or any person involved in making securities recommendations to Clients ("Covered Persons") are required to comply with our Code of Ethics prior to investing for their own accounts. The Code of Ethics is designed to ensure that the personal security transactions, activities and interests of those Covered Persons will not interfere with making investment decisions in the best interests of our Clients. There is a possibility that such a person or existing Clients may benefit from market activity conducted by another Client. Personal trading by Covered Persons is monitored under our Code

of Ethics to reasonably prevent conflicts of interest with our Clients. We also may aggregate trade orders to purchase securities for Clients. Please refer to “Item 12 - Brokerage Practices.”

#### Co-Investment Situations

One or more investors in an Entity may be permitted to co-invest in a particular asset in which the Entity will invest. The interests of such investor and the Entity may be adverse with respect to the investor’s direct investment in that asset. We have no obligation to offer to any investor the opportunity to invest directly in any asset and, in the event of any such direct investment by the investor, we have no obligation to advise or take into consideration the interests of such investor with respect to its direct investment.

### Item 12 – Brokerage Practices

---

#### Applicability of Brokerage Practices to Different Clients

To the extent that an Entity commits its assets to an investment manager by investing in its underlying funds, neither we nor the Entity will generally play any role in the investment manager’s selection of brokers, dealers and financial institutions to effect transactions for them. In certain circumstances, when HCM personnel may serve on a portfolio company’s governing board, as described in Item 8, we may have some involvement in this selection. To the extent that an Entity invests its assets in managed accounts, such assets will be held in custody by a nationally recognized prime broker that we select. In that case, the investment manager may utilize either the exclusive transaction services of that prime broker or transaction services of other brokers, dealer and financial institutions selected by the Entity or such investment manager. We seek to ensure that the broker-dealers we use for transactions obtain “best execution” as described further below.

To the extent that we directly manage a portion of Client assets, we utilize the brokerage practices discussed below.

#### Best Execution

We maintain trading relationships with several broker-dealers. We seek to ensure that the broker-dealers we use to execute trades for Clients are doing so in a competitive fashion. Specifically, in choosing a broker-dealer to execute a transaction, we seek to obtain “best execution” for the relevant Client’s account by seeking to execute trades at the most favorable terms reasonably available under the circumstances. We pursue best execution for our Clients by considering, among other things, (i) the ability of the broker or dealer to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any), (ii) the operational efficiency with which transactions are effected (taking into account the size of the order and difficulty of execution), (iii) the financial strength, integrity and stability of the broker or dealer, (iv) the quality, comprehensiveness and frequency of available research services considered to be of value, and (v) the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria.

#### Soft Dollar Practices

We do not have any arrangements under which products or services other than execution of securities transactions are obtained from or through a broker-dealer in exchange for the direction of Client brokerage transactions to the broker-dealer.

### Client Referrals

We may receive referrals from brokerage firms through which we conduct trading for Client accounts. This may create an incentive for us to allocate Client assets to such brokerage firms. To address this conflict of interest, we follow the best execution policy described above.

### Aggregation of Orders

To ensure that accounts of all Clients are treated fairly in the event we place orders for the same security for more than one account at or about the same time, we may combine orders placed on behalf of one or more Clients with accounts whose sole investors are members of the Huizenga family for the purpose of negotiating brokerage commissions or obtaining a more favorable price. When appropriate, securities purchased or sold may be allocated in terms of amount to a Client according to the proportion that the size of the order placed by that Client bears to the aggregate size of orders contemporaneously placed by the other accounts, subject to de minimis exceptions. All participating accounts will pay or receive an average price when partial fill orders executed on the same day are combined.

## Item 13 – Review of Accounts

---

### Review of Accounts

HCM's Investment Committee monitors performance and portfolio risk for each of the Clients on an ongoing basis and will conduct an internal review of Client assets on at least a semi-annual basis to ensure conformity with investment objectives and guidelines. Triggering factors that may cause an interim review include, but are not limited to:

- significant market corrections,
- substantial changes in the value of an investment manager's portfolio,
- year-end tax planning, and/or
- security-specific events.

Members of the Investment Committee for our Investment Manager Business include our Managing Principal, President, Managing Directors and, in the case of our Portfolio Company Business, also includes the Managing Director of Private Investments.

### Reports to Investors in the Entities

Investors in the Entities generally receive unaudited monthly and/or quarterly statements. Other information may be provided upon request to all or individual investors at each Entity's sole discretion. In the case of our Entities that undergo an annual audit, investors receive a copy of the annual audited financial statements.

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

---

We may pay referral fees to unaffiliated persons who solicit investors to invest in the Entities. These fees ordinarily consist of cash payments to the applicable solicitor.

## **Item 15 – Custody**

---

In our capacity as general partner or manager of each Entity, we are deemed to have custody of such Entity's cash and securities. We comply with the requirements of SEC Rule 206(4)-2 for each Entity, either (i) by conducting and distributing an annual audit to the Entity's investors within the required time frame or (ii) by maintaining the Entity's assets with a "qualified custodian," taking reasonable steps to ensure the qualified custodian distributes statements to the investors no less frequently than quarterly and arranging for an annual surprise examination of the Entity's assets.

## **Item 16 – Investment Discretion**

---

Each Entity's limited partnership agreement or limited liability company agreement contains an authorization by which we are granted discretion to make purchases and sales for the Entity without requiring us to obtain investor consent or approval prior to each transaction, to select the type and amount of securities that we buy or sell for the Entity, the broker or dealer we use to effect such transactions and the commission rates paid (when applicable). An Entity's private offering memorandum or organizational documents specify its investment objectives and guidelines and may impose certain conditions or investment parameters.

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

---

As described in Item 4, our Client's assets are typically invested with investment managers or portfolio companies. However, with respect to securities owned directly by the Entities, we have adopted proxy voting policies and procedures designed to satisfy our duties relating to proxy voting. Proxy voting decisions will be made in light of the anticipated impact of the vote on the desirability of maintaining an investment in a company, from the viewpoint of the best interests of the Entities, without regard to any other interests. Neither the Entities nor the investors in the Entities may direct our vote in a particular solicitation.

The Chief Compliance Officer is responsible for identifying any material conflicts of interest related to proxy voting. A conflict of interest may exist, for example, if we have a business relationship with (or are actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Any firm employee with knowledge of a personal conflict of interest relating to a particular proposal must disclose that conflict to the Chief Compliance Officer and otherwise remove himself or herself from the proxy voting process, if applicable. If a material conflict of interest arises, we will (i) refer the matter to a third-party proxy voting service; or (ii) prepare a report that (A) describes the conflict of interest; (B) discusses procedures used to address such conflict of interest; (C) discloses any contacts from outside parties (other than routine communications from proxy solicitors) regarding the proposal; and (D) confirms that the



recommendation was made solely on the investment merits and without regard to any other consideration. We will retain a copy of such report with the proxy voting log.

Please contact us for specific voting guidelines or information on how our firm voted with respect to securities held by an Entity in which you hold an interest.

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

---

We are required in this item to provide you with any information about our financial condition that is reasonably likely to impair our ability to meet its contractual commitments to you. There is no such information, as we have ample capital and resources to meet all of our obligations.