

**Manor Road Capital Partners, LLC**  
Part 2A of Form ADV  
The Brochure

March 25, 2019

**This brochure provides information about the qualifications and business practices of Manor Road Capital Partners, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 212-257-4300. This information has not been approved or verified by the SEC or by any state securities authority.**

**Additional information about Manor Road Capital Partners, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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#### **Item 4. Advisory Business**

**General Description of Advisory Firm.** The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations in July 2012 and registered with the SEC as an investment adviser in July 2013. John Ku is the Managing Member and sole owner of the Adviser.

**Description of Advisory Services.** The Adviser provides discretionary investment advisory services to its clients, Manor Road Investment Partners, LP and Manor Road Investment Partners II, LP, both of which are private funds intended for sophisticated investors and institutional investors (together the "Funds" or "Clients").

**Availability of Tailored Services for Individual Clients.** The Adviser provides advice to the Funds based on specific investment objectives and strategies. The Adviser does not tailor advisory services to the individual needs of investors in the Funds (the "Underlying Investors") and does not accept Underlying Investor-imposed investment restrictions.

**Wrap Fee Programs.** The Adviser does not currently participate in wrap-fee programs.

**Client Assets Under Management.** As of February 28, 2019, the Adviser had approximately \$364 million in Client net assets under management, all of which is managed on a discretionary basis. Regulatory assets under management totaled \$437 million at February 28, 2019.

#### **Item 5. Fees and Compensation**

##### **Advisory Fees and Compensation**

###### **Asset-Based Compensation**

The Adviser is generally paid a monthly asset-based investment management fee in advance ranging from 1.0% per annum to 1.5% per annum, based on a percentage of the value of each Fund's net assets as of the first day of each month.

###### **Performance-Based Compensation**

Manor Road Advisors, LLC, an affiliate of the Adviser, may be paid annual performance-based compensation, which is compensation that is based on a share of capital appreciation of the assets of the Funds. The performance-based compensation is equal to a 17.5% of the capital appreciation of each Fund in excess of an annual hurdle rate and a "loss carryforward" provision, as described in the offering memoranda of the Funds. A "clawback" mechanism applies in certain circumstances.

The asset-based compensation and performance-based compensation are not negotiable, however, performance-based compensation has been waived for the Adviser's principals and employees.

**Payment of Fees.** On a monthly basis, the Adviser deducts the investment management fee from the Funds' accounts by instructing the Funds' custodian and/or bank, upon advice from the Funds' administrator. In the event that the Adviser only provides advisory services to a Fund for part of any month, including due to the termination of its investment management agreement with a Fund, the Adviser will refund a portion of the investment management fee, so that the Fund is only charged for the portion of the month for which the Adviser was providing advisory services. The performance-based compensation is either debited or reallocated from the Funds' accounts after the end of each year.

**Other Fees and Expenses.** In addition to paying investment management fees and performance-based fees, the Funds are also subject to other fees and expenses such as legal, accounting (including third-party accounting services), audit and other professional expenses, fees and expenses, organizational expenses, research expenses, investment expenses such as commissions, Fund compliance expenses, custodial and bank fees, fees and expenses of the Funds' administrator and other expenses related to the purchase, sale, preservation or transmittal of Fund assets, each as described in the Funds' offering memoranda. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

The Funds may invest in unaffiliated pooled investment vehicles, and as a result, Underlying Investors bear their pro rata share of the underlying unaffiliated pool's operating and other expenses. Additionally, Fund assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, a Fund will bear its pro rata share of the investment management fee and other fees of the mutual fund, ETF or other registered investment company, as applicable, which are in addition to the investment management fee paid to the Adviser.

The allocation of expenses by the Adviser between it and any Fund and among Funds represents a conflict of interest for the Adviser. The Adviser allocates expenses to each Fund in accordance with the Fund's arrangements with the Adviser (including applicable Fund disclosures). The Adviser would seek to allocate shared expenses for products and services benefitting the Adviser and the Fund and not covered in the Fund's arrangements in a fair and reasonable manner. The Adviser allocates common Fund expenses among multiple Funds pro rata based on assets under management as of the beginning of each monthly period in which the expenses are paid. The Adviser may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular Fund.

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

As described in Item 4 above, the Adviser currently provides discretionary investment management services to Manor Road Investment Partners, LP and Manor Road Investment Partners II, LP, private investment funds that generally invest *pari passu* and are subject to the same performance-based fees. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that the Funds are treated equitably. The performance of the Funds is also regularly compared to determine whether there are any unexplained discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that eligible managed accounts with the same strategy participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, Fund orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations (as described further in Item 12 below). Finally, the Adviser's procedures also require the allocation of limited opportunities (such as initial public offerings and private placements) to be fair and reasonable among Funds. Individual trades are allocated on a daily basis to the Funds based on assets under management. These areas are monitored by the Adviser's Chief Compliance Officer.

#### **Item 7. Types of Clients**

The Adviser's Clients consist of private investment funds intended for sophisticated investors and institutional investors. The initial and additional subscription minimums are disclosed in the offering memorandum for each such Client.

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

### Methods of Analysis and Investment Strategies

The Funds' investment objective is to generate superior risk-adjusted returns over the long-term through investments in U.S. equities and other publicly-traded securities. The Adviser seeks to achieve this objective by utilizing a concentrated value investing strategy. The Adviser attempts to capitalize on price inefficiencies created by short-term market dislocations in order to identify undervalued securities that offer the potential for long-term capital appreciation with minimal risk of permanent principal loss. Complementary strategies that the Adviser may pursue include short sales and tail-risk hedges.

The analytical process of the Adviser centers on three key elements: (1) in-depth fundamental research, (2) conservative estimates for the intrinsic value of the underlying business, and (3) identifiable event paths to unlock value over time.

These methods, strategies and investments involve risk of loss to the Underlying Investors and Underlying Investors must be prepared to bear the loss of their entire investment.

### Material Risks

**Stock market risk.** Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. There is a chance that stock prices overall will decline. Market risk may affect a single company, sector of the economy or the market as a whole.

**Sector risk.** There is a chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.

**Investment Concentration.** Clients of the Adviser may have a high concentration of their assets in a single investment or the securities of a limited number of issuers. Additionally, Clients may have a high concentration of their assets in a single industry. A lack of diversification could magnify potential losses (or gains). Accordingly, the investment portfolio of a Client may be subject to more rapid change in value than would be the case if the Client were subject to more stringent requirements with respect to diversification among companies, securities and types of securities, as well as other types of investments.

**Short Sales.** The Adviser may sell securities short. A short sale can, in certain circumstances, substantially increase the impact of adverse price movements on a portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that a Client would have to return the securities it borrows, in connection with a short sale, to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and a Client may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

**Leverage.** Employing margin strategies in a Client's account is a more aggressive, higher risk approach to pursuing investment objectives. The risks associated with investing, as well as costs, may be increased when employing margin strategies, and depending upon the return achieved, may make the investment objectives more difficult to realize. The Client may lose more than its original investments. Likewise, a positive or negative performance, net of interest charges and fees, is magnified. Gains or losses are greater than would be the case in accounts that do not employ margin strategies. The Client may not benefit from employing margin strategies if the performance in its account does not exceed interest expenses on the loan plus fees incurred as a result of depositing the proceeds of the loan.

**Custody.** If a broker with whom the Adviser has an account becomes insolvent or bankrupt, the Adviser may be unable to recover all or even a portion of the assets maintained by Clients with that broker. Similarly, if a custodian housing a Client's securities or other assets becomes bankrupt or insolvent, the Client may be unable to recover all or even a portion of the assets held by the custodian.

**Investment in Small Companies.** Generally, there is no limitation on the size or operating experience of the companies in which the Adviser may invest on behalf of Clients. Some small companies in which the Adviser may invest on behalf of its Clients may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries, may face intense competition from larger companies and typically entail a greater risk than investment in larger companies.

**International Investing.** Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) potential lack of uniform accounting, auditing and financial reporting standards; (iii) varying levels of governmental regulation and supervision; and (iv) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. The transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy.

**Illiquidity of Markets.** At various times, the markets for securities purchased or sold by the Adviser on behalf of its Clients may be "thin" or illiquid, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. For example, securities exchanges and the SEC have authority to suspend trading in a particular security without notice.

**Derivatives.** The Adviser may invest Client assets in derivative instruments. The prices of many derivatives are highly volatile. Additionally, the risks involved with certain derivatives, including over-the-counter derivatives, may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries.

**Options.** The purchase or sale of an option involves the payment or receipt of a premium and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

#### Additional Risks Relating to the Adviser

**Cybersecurity Risk.** The information and technology systems of the Adviser and of key service providers to the Adviser and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to

remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

***Risk Management Failures.*** Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

***Systems and Operational Risk.*** The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Prospective Underlying Investors are instructed to evaluate the risks of investing in the Funds. The Funds' offering memoranda contain additional information regarding the risks associated with investing in the Funds.

#### **Item 9. Disciplinary Information**

This Item is not applicable.

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

This Item is not applicable.

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

**Code of Ethics.** The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Adviser's Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting Tony Miller (Chief Compliance Officer) by email at [tmiller@manorroadcapital.com](mailto:tmiller@manorroadcapital.com) or by telephone at 212-257-4300.

The Adviser, its personnel and its related persons are prohibited from personal trading in individual company securities. They are allowed to effect transactions in mutual funds, ETFs and government

obligations, subject to the Code's reporting requirement. All personnel are required to provide copies of their personal account statements to the Chief Compliance Officer.

Employees must annually affirm and sign the Code of Ethics.

The Adviser, in the course of its investment management and other activities (e.g. board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser and its personnel do not recommend, buy or sell for Client accounts, securities in which the Adviser or a related person has a material financial interest.

The Adviser's related persons may, and currently do, invest in the Funds. Such investments pose a risk that the Adviser or individuals who are in a position to control the allocation of investment opportunities to the Adviser's client accounts will favor the Fund in which the Adviser's related persons invest, particularly in the case of limited opportunities (such as initial public offerings and private placements) or other investments that are otherwise subject to limited capacity. To address this potential conflict, the Adviser's procedures require the objective allocation of limited opportunities pro rata based on assets under management or in some other manner that ensures fair allocation among clients. The Adviser's related persons have access to information that is not available to other investors in such private funds.

## **Item 12. Brokerage Practices**

### Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Portfolio Manager and Chief Compliance Officer meet periodically to evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

**Research and Other Soft Dollar Benefits.** The Adviser may receive research or brokerage services from a broker-dealer and/or a third party in connection with Client securities transactions. This is known as a "soft dollar" relationship. Currently, the Adviser has no formal soft dollar arrangements in place. However, from time to time the Adviser receives unsolicited research reports from broker-dealers who engage in securities transactions on behalf of the Funds. To the extent the Adviser enters into any soft dollar arrangements, the Adviser will limit the use of "soft dollars" to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934. Research services within Section 28(e) may include, but are not limited to, research reports (including



market research); certain financial newsletters and trade journals; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

During the Adviser's last fiscal year, as a result of Client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired research reports (including market research).

***Brokerage for Client Referrals.*** From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to Clients. The Adviser may place Client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

#### Order Aggregation

The Adviser typically purchases or sells the same security for its Clients contemporaneously and using the same executing broker. It is the Adviser's practice to aggregate Client orders for the purchase or sale of the same security submitted contemporaneously for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair to Clients, and this typically results in a pro rata allocation to all participating Clients.

#### **Item 13. Review of Accounts**

Each Client account is reviewed by the Portfolio Manager and Chief Compliance Officer of the Adviser on a daily basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each Client account. Prime broker reports are reviewed by the Adviser every day, both on a consolidated basis and on an unconsolidated basis for each Client.

Daily reviews are performed by the Chief Financial Officer. If material performance and/or position differences appear among the accounts, additional analysis of the accounts is performed in order to maintain appropriate levels of risk and to maintain the investment objective of each account. The administrator for these Clients also performs a daily reconciliation of the accounts of the Adviser's Clients.

Underlying Investors receive reports from the Client pursuant to the terms of each Client's offering memoranda or as otherwise described in the offering document of the Client.

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

The Adviser may receive certain research or other services from broker-dealers through "soft dollar" arrangements. "Soft dollar" arrangements may create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its Clients. Currently, the Adviser has no formal soft dollar arrangements in place.

#### **Item 15. Custody**

An affiliate of the Adviser is deemed to have *custody* of client assets due to serving as the general partner to a limited partnership and intends to comply with Rule 206(4)-2 under the Advisers Act, by meeting the conditions of the pooled vehicle annual audit provision.

#### **Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to its Clients. Prior to assuming discretion in managing a Client's assets, the Adviser enters into an investment management agreement that sets forth the scope of the Adviser's discretion.

The Adviser has the authority to determine (i) the securities to be purchased and sold for the Clients (subject to restrictions on its activities set forth in the applicable limited partnership agreement) and (ii) the amount of securities to be purchased or sold for the Clients.

John Ku, the Adviser's Portfolio Manager, also acts as the Adviser's trader and submits trades to the broker-dealers of his choice. The Chief Financial Officer then processes, verifies and allocates these executed trades on a pro rata basis, subject to account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to Client accounts in varying amounts. Even Client accounts that are typically managed on a *pari passu* basis may, from time to time, receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations are made among Underlying Investors eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include explicit prohibitions on participation in IPOs or secondary offerings and an Underlying Investor's status as a "restricted person" or "covered investor" under applicable regulations.

The Adviser may effect (although it has not done so to date) cross transactions between Clients, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both Clients. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities

regarding both parties to cross transactions. Cross transactions between Client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless Client consent has been obtained based upon written disclosure to the Client of the capacity in which the Adviser or its affiliates will act.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that Clients are treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a Client account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the Client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the Client account.

#### **Item 17. Voting Client Securities**

The Adviser has been delegated proxy voting authority on behalf of its Clients. The Adviser complies with its proxy voting policies and procedures that are designed to ensure that such proxies are voted in the best interests of its Clients. The Adviser will determine whether a proposal is in the best interests of its Clients and may take into account the following factors, among others: (i) whether the proposal was recommended by management and the Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

In voting proxies, the Adviser utilizes the services of a third-party proxy agent that does not make vote recommendations.

The Adviser's Clients are not permitted to direct their votes in a particular solicitation.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures, information about how the Adviser voted a Client's proxies or a particular solicitation by contacting Tony Miller (Chief Compliance Officer) by email at [tmiller@manorroadcapital.com](mailto:tmiller@manorroadcapital.com) or by telephone at 212-257-4300.

If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the client or take some other appropriate action.

#### **Item 18. Financial Information**

This Item is not applicable.

**Appendix      Item 2. Material Changes**

There have been no material changes made to the Adviser's brochure since the Adviser's previous brochure was filed in March 2018, however, the Adviser has made some routine updates to the brochure.

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