

CARMENTA MANAGEMENT LLC

Form ADV, Part 2A

("Brochure")

March 29, 2019

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This brochure provides information about the qualifications and business practices of Carmenta Management LLC ("Carmenta"). If you have any questions about the contents of this brochure, please contact Kirk Dizon, Carmenta's Chief Compliance Officer, at 415-513-5222. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Carmenta Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Any reference to Carmenta Management LLC as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- **an offer or agreement to provide advisory services to any person**
- **an offer to sell interests (or a solicitation of an offer to purchase interests) in any Carmenta Fund (as defined in Item 4, below)**
- **a complete discussion of the features, risks or conflicts associated with any Carmenta Fund or advisory service**
- **to be relied on in determining whether to invest.**

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), Carmenta provides this Brochure to current and prospective clients and will provide this Brochure to current or prospective investors in a Carmenta Fund, together with other relevant offering materials (such as subscription agreements, offering memoranda, operating agreements or advisory contracts), prior to, or in connection with, such persons’ establishment or consideration of an investment advisory relationship with Carmenta or an investment in a Carmenta Fund. Additionally, this Brochure is available through the Securities and Exchange Commission’s (“SEC’s”) Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of Carmenta, persons who receive this Brochure (whether or not from Carmenta) should be aware that it is designed solely to provide information about Carmenta as necessary to respond to certain disclosure obligations under the Advisers Act. More complete information about each Carmenta Fund, as well as Carmenta’s investment advisory services, is included in relevant offering materials, certain of which may be provided to current and eligible prospective clients or investors only by Carmenta.

ITEM 2: MATERIAL CHANGES

Not applicable as this is the first Brochure filed by Carmenta Management LLC ("Carmenta").

ITEM 3: TABLE OF CONTENTS

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ITEM 4: ADVISORY BUSINESS

A. Description of the Advisory Firm

Carmenta Management LLC (“Carmenta”), a Delaware limited liability company, was formed in September 2015 and is headquartered in Manila, Philippines. Carmenta is principally owned by its Managing Member, Kirk Dizon (the “Principal”).

B. Types of Advisory Services

Carmenta provides investment advice and management to privately placed investment funds (“Carmenta Funds” or “Funds”, collectively, Carmenta’s “Clients”). Carmenta currently has three investment vehicles: (i) Carmenta Capital Co-Investments, L.P. (f/k/a Carmenta Capital Fund SPV, L.P., or “Carmenta Co-Investments”); (ii) Carmenta Growth Portfolio 2017, L.P. (“CGP 2017”); and (iii) Carmenta Knollwood Opportunities, L.P. (“Carmenta Knollwood”). Carmenta Co-Investments is organized into distinct classes (each a “Class”) and each Class will invest in securities of a single company and treated as a separate Fund or Client. Each Class will be accounted for separately from other Classes with its own discrete and allocable holdings.

Carmenta invests in technology companies, usually later-stage companies that are generating meaningful revenue and that either are profitable, or have reasonable plans to achieve profitability, and eventually exit. Each Fund’s objective is to provide impact returns with accelerated liquidity when compared with traditional venture capital funds.

A full list of Carmenta’s current Funds is as follows:

- Carmenta Capital Co-Investments, L.P. – Investment Class 1
- Carmenta Capital Co-Investments, L.P. – Investment Class 2
- Carmenta Capital Co-Investments, L.P. – Investment Class 3
- Carmenta Capital Co-Investments, L.P. – Investment Class 4
- Carmenta Capital Co-Investments, L.P. – Investment Class 5
- Carmenta Capital Co-Investments, L.P. – Investment Class 6
- Carmenta Growth Portfolio 2017, L.P.
- Carmenta Capital Co-Investments, L.P. – Investment Class 7
- Carmenta Knollwood Opportunities, L.P.
- Carmenta Capital Co-Investments, L.P. – Investment Class 8
- Carmenta Capital Co-Investments, L.P. – Investment Class 9
- Carmenta Capital Co-Investments, L.P. – Investment Class MC-QP

C. Tailored Advice and Client-Imposed Restrictions

Each Carmenta Fund has its own investment objectives, strategies and restrictions. Carmenta Funds generally focus on a narrow investment strategy. Carmenta prepares offering materials with respect to each Carmenta Fund that contain more detailed information, including a description of the investment objective and strategy or strategies employed and related restrictions. These serve as a limitation on Carmenta's management.

Except for Carmenta Knollwood (which is a fund formed specifically for a particular family office), (i) none of the Carmenta Funds is necessarily tailored to meet the individualized investment needs of any particular investor ("Investor") and (ii) an investment in a Carmenta Fund does not create a client-adviser relationship between Carmenta and an Investor.

Investors must consider whether a particular Carmenta Fund is appropriate to their own circumstances based on all relevant factors including, but not limited to, the Investor's own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective Investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant offering materials for the Funds and the additional details about Carmenta's investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

D. Wrap Fee Programs

Carmenta does not participate in wrap fee programs.

E. Assets Under Management

As of December 31, 2018, Carmenta had approximately \$291,642,841.98 million in regulatory assets under management, \$234,847,841.98 of which was discretionary and \$56,795,000 million of which was non-discretionary.

ITEM 5: FEES AND COMPENSATION

Management fees and performance fees associated with the Carmenta Funds are received by Carmenta's affiliates, each of which serves as general partner to one or more of the Funds (collectively, the "General Partner"). Performance fees are discussed in more detail in Item 6. Carmenta's compensation, as well as other costs associated with management by Carmenta, is discussed generally below and in more detail in relevant offering materials.

The General Partner and the Firm are together filing this single Form ADV in reliance on the position expressed in the No Action Letter dated January 18, 2012, addressed to the American Bar Association.

A. Fee Schedule

1. Management Fee

The General Partner (or its designee) shall be compensated for services rendered during the term of a Fund by a payment by the Fund in cash to the General Partner (or its designee) of a management fee (the "Management Fee") calculated and charged separately with respect to each Limited Partner. The Management Fee will be paid annually in advance in an amount equal to 1% of such Limited Partner's capital commitment to the Fund. For Carmenta Co-investments, the Management Fee to be paid may be up to a maximum aggregate amount equal to 3% of such Limited Partner's capital commitment to the Fund. The General Partner may, for significant investors or and by prior arrangement, allocate a smaller Management Fee to such significant investor.

2. Performance-based Fees

Carmenta Funds also are subject to performance-based compensation (which may be structured as an incentive fee, performance allocation, preferential dividend, or other form) up to 15% of the actual realized returns of the Fund's portfolio. Calculations are net of management fee and include only realized gains and losses. Please refer to the relevant Fund's offering materials for further detail.

3. Fee Comparison

Client expenses, including the management fee and any performance-based fees, may constitute a higher percentage of average net assets than could be found in other investment programs.

In addition, fees for future Carmenta Funds may vary. Fees may be negotiable and Carmenta may, in its discretion, waive or reduce management and performance fees charged to particular Investors.

4. Different Fee Schedules

Management Fee may be waived in respect of investments by the General Partner and its members and affiliates (including other Carmenta Funds). In addition, Carmenta may discount or waive its fees with respect to any Investor for any particular period of time at the sole discretion of Carmenta (or the General Partner, as applicable). This discounted rate or waiver is not available to all or even most Investors in the Funds.

5. Side Letters

Carmenta or the General Partner, as appropriate, has and may in the future, waive or modify the terms of investment for certain large or strategic investors, in side letters or otherwise, in its sole discretion, including but not necessarily limited to, a waiver or lowering of the Management or Performance Fees or fee structure. We may also agree to increased transparency or reporting though we would typically provide similar increased transparency and/or reporting to other Investors upon their request.

B. Payment of Fees

Management fees are automatically deducted from the accounts of Fund Investors. With respect to Fund Investors, management fees generally will be calculated and payable to the General Partner annually in advance.

In addition, the Carmenta Funds are structured as private equity-like term vehicles with carried interest or incentive fees payable upon realization of assets. Carried interest is generally up to 15% of net profits; subject to payback of capital contributions to the Investors. The General Partner will distribute cash proceeds from any realization event promptly after receipt.

C. Other Expenses

The Funds bear all reasonable and documented third-party costs and expenses related to the purchase, holding, sale or exchange of securities (whether or not ultimately consummated), fees and expenses relating to outsourced finance, accounting and compliance services, indemnification obligations pursuant to the Fund offering documents, liability and other insurance premiums. The Funds also bear all costs and expenses incurred in the organization, syndication, liquidation and termination of the Fund and its General Partner, including but not limited to legal and accounting fees and



expenses. The General Partner shall bear all private placement and similar fees. In addition, the Funds bear all expenses (including any interest expense) related to initial purchase(s) of securities by the General Partner or warehoused by the Fund.

Please see Item 12 of this Brochure for further details on Carmenta's brokerage practices.

D. Advance Billing

As discussed above, with respect to the Carmenta Funds, the management fee is payable annually in advance.

E. Sales-based Compensation

Not applicable.

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

Carmenta generally charges the Funds a performance fee based on the realized returns of the Fund's portfolio. Incentive fees are only charged to Investors who are "qualified clients" in accordance with Rule 205-3 under the Advisers Act.

As noted in Item 5 of this Brochure, Carmenta's compensation for each discretionary Fund generally includes a performance-based component. In addition, Carmenta may compensate or provide discretionary bonuses to staff that are based on, among other things, the performance of Fund accounts they manage or are otherwise responsible for. Carmenta or its personnel or affiliates may have other pecuniary interests in the Carmenta Funds.

ITEM 7: TYPES OF CLIENTS

Carmenta provides investment advice to the Carmenta Funds as discussed above in Item 4.

Investors in the Carmenta Funds may include pension funds, insurance companies, private banks, foundations, endowments, trusts, family offices and other institutions.

For restrictions on investments in the Carmenta Funds, including minimum investments, please see the relevant Fund's offering materials.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

As noted in Item 4 of this Brochure, Carmenta manages accounts in select private high-growth technology companies. Additionally, Carmenta Funds may be focused or concentrated on particular types of instruments or issuers. All investments anticipate a risk of loss and there is no guarantee that any particular strategy will be effective or yield particular results or levels of return. As a result, Carmenta's products and services are not intended to represent a complete investment solution and it is expected that Investors maintain assets other than those advised by or invested through Carmenta. Investors are responsible for appropriately diversifying their assets to guard against any risk of loss.

The Fund invests in technology companies, usually later-stage companies that are generating meaningful revenue and that either are profitable, or have reasonable plans to achieve profitability, and eventually exit

Carmenta emphasizes opportunities where company-specific risks (e.g., tech obsolescence, hyper-valuation, binary outcomes, liquidity risk, etc.) are minimized, and portfolio returns can be enhanced by various factors. Specifically, Carmenta's investment criteria focus on the following:

- Significant potential to disrupt or create large addressable markets;
- Substantial competitive moat and brand leadership;
- 24-36 month holding period for core holdings; longer holding periods may be appropriate for select opportunities when justified by potential returns or in the event of disruption in macroeconomics or to the company's business model;
- Clear pathway to (or achievement of) annual revenue of US\$ 1billion;
- History of revenue growth exceeding 50% annually;
- Current or future revenue growth likely to exceed 30% annually;
- Clear and rational path to profitability or free cash flow generation;
- Attractive price (relative to public peers) on a growth adjusted basis; and
- Standard deal hurdle shows gross return profile of 2.5x or greater, absent macro disruption or exogenous events.

B. Material Risks Associated with the Investment Strategy

Investing involves a risk of loss. While Carmenta seeks to manage investments so that risks are appropriate to the return potential for the strategy, it is often not possible or

desirable to fully mitigate risks. Carmenta does not offer any products or services that guarantee rates of return on investments for any period to any Investor. All Investors assume the risk that investment returns may be negative or below the rates of return of other investment advisers or products. Investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

There are risks inherent in the investment strategies pursued, and the financial instruments and trading methods used, by Carmenta. Key risks of loss which apply to the principal investment strategies employed by Carmenta are listed below. More detailed descriptions and explanations of the key risks of loss are included in relevant offering materials.

Risks of the Investment Strategy

NO PORTFOLIO DIVERSIFICATION. Each Class shall invest solely in the securities of a single company; adverse developments in such company will have a negative effect on returns of the relevant Class.

RISKS RELATING TO PRIVATE EQUITY IN 2019. There presently exists considerable demand for investments in private technology companies. That demand has caused participants to deviate from prior investment rubrics that focused on transparency, liquidity, profitability, moderate valuations, and low transaction fees in favor of an investment rubric that emphasizes growth above all else. For many investments, including investments in the Fund, these dynamics of demand, and their deviation from conventional investing rationales and methods, apply. While the Fund intends to invest in companies which display rapid growth, these companies do not tend to offer transparency into their operations, their securities and those of the Fund are not liquid, they may not be profitable, are frequently richly valued on any conventional metrics, and the fees associated with the Fund obviously exceed the de minimis fees associated with buying a comparable dollar amount of publicly traded securities.

An investment in any venture-backed private technology firm may depend, in substantial part, whether the market continues to generously value high-growth companies with little liquidity, profit, and little to no transparency. Furthermore, the developed world has enjoyed very low interest rates for an abnormally long period following the 2008 financial crisis and a return to normal rate environments, coupled with persistent economic weakness over the past several years, may have negative impacts on valuations of the Fund's anticipated portfolio companies.

As with virtually any investment, macroeconomic considerations apply. As of 2019, the expansion following the last recession has progressed for some time and is one of the

longer expansions in modern history. A slowdown in economic activity could affect the Fund's target portfolio companies negatively. An acceleration in economic activity could also induce consumers to more expensive competitive offerings. There is no way to predict how any of the Fund's target portfolio companies will perform in variable economic climates and it seems likely that economic volatility will create stress for the Fund's target portfolio companies.

Presently, the market is unusually enthusiastic about private companies. But market sentiment can and does change and this will impact the valuations of the Fund's target portfolio companies, perhaps adversely. Progress to liquidity may not be smooth and continuous.

Finally, the tax treatment of partnerships, companies, private equity, gains (capital and ordinary) will be up for review in the United States and other relevant jurisdictions over the coming years and significant and adverse changes may transpire.

INVESTMENTS IN GROWTH STAGE COMPANIES. The Funds invest in small and medium sized companies that are seeking to grow substantially in the near term. While such investments may present opportunities for growth, they also may entail risks that may or may not be customarily associated with investments in large companies. Small and medium sized companies may have more limited product lines, markets and financial resources, may have higher customer concentration and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller private companies, which may make realizations of gains more difficult due to the requirement to sell to other private investors. In addition, the relative illiquidity of growth equity investments generally, and the somewhat greater illiquidity of private investments in small and medium sized companies in particular, could make it difficult for the Funds to react quickly to negative economic or political developments.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

RELIANCE ON THE GENERAL PARTNER. The General Partner will have sole discretion over the investment of the funds committed to the Funds as well as the

ultimate realization of any profits. Investors in the Funds will be relying on the General Partner to conduct the business as contemplated by such Fund's offering documents. The loss of the Principals would likely have a significant adverse impact on the business of the Partnership. No assurances can be given that the Principals will continue to be affiliated with the Funds throughout each Fund's term.

Notwithstanding any prior experience that the Principals may have in making investments of the type expected to be made by the Funds, there can be no assurance that such persons and/or the General Partner will be able to duplicate prior levels of success.

OTHER ACTIVITIES OF PRINCIPAL. The Principal currently and will in the future engage in business activities outside the Funds. These activities are expected to take time away from the General Partner and may potentially interfere with attention to the Funds' activities, although the Principal intends to devote sufficient time to adequately manage the Funds' affairs.

NO ASSURANCE OF RETURNS. There can be no assurance that the Investors will receive distributions from the Funds in an amount equal to their investment in the Funds. The timing of profit realization, if any, is highly uncertain.

Risk Factors

There are a number of other risks associated with the Carmenta Funds' trading objectives and strategies, including risks associated with investments in illiquid securities. Please refer to each Carmenta Fund's offering documents for a more detailed description of such risks.

ITEM 9: DISCIPLINARY INFORMATION

Not Applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**A. Registered Broker-Dealer or Registered Representative**

Not applicable.

B. Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

Not applicable.

C. Material Business Relationships with Certain Related Persons

The Principal is a co-founder of DocSpark, which is an outsourced service provider providing services to the fund. The Funds may only work with DocSpark on an arm's length basis and if the General Partner, in good faith, believes that the use of DocSpark would result in cost savings to the Fund.

D. Recommendation and Selection of Other Investment Advisers

Not applicable.

E. General Conflicts of Interest

Generally, while Carmenta intends to avoid situations involving material conflicts of interest, there may be situations in which the interests of the Carmenta Funds, a portfolio investments of the Carmenta Funds, may conflict with the interests of any other Carmenta Fund or its affiliates or that of the Carmenta itself. On any matter involving a conflict of interest not provided for in the Carmenta Funds' offering or governing documents, Carmenta will be guided by its good faith judgment as to the best interests of the Funds and shall take such actions as are determined by Carmenta to be necessary or appropriate to ameliorate such conflicts of interest. To the extent Carmenta determines it necessary or appropriate, Carmenta may seek Investor consent with respect to any matter as to which Carmenta determines in good faith that such a conflict of interest exists. Such consent may be obtained in accordance with the procedures set forth the particular Carmenta Fund's offering and governing documents.

**SPECIFIC CONFLICTS OF INTEREST AND CARMENTA 'S PRACTICES
DESIGNED TO MITIGATE SUCH CONFLICTS OF INTEREST**

Carmenta and its personnel face actual and potential conflicts of interest, including an incentive to favor those Funds in which Carmenta or its personnel have greater

pecuniary interests over other Funds. Such conflicts of interest and Carmenta's practices that are designed to mitigate such conflicts of interest are discussed below.

Instances may arise where the interest of the General Partner (or its member(s)) may potentially or actually conflict with the interests of the Fund and the Investors. For example, the existence of the General Partner's carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangements. In addition, the management fee (earned only as capital is deployed) may create an incentive for the General Partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of a deployment-based management fee structure. Further, conflicts of interest may arise as a result of the Principals having investments in other investments both public and private.

In addition, the General Partner may form other investment funds for the purpose of permitting other parties to invest in the securities of a particular Fund. The General Partner, in its sole and absolute discretion, may allocate opportunities to purchase certain securities (in whole or in part) to such other investment funds and not to the Fund. An inherent conflict of interest exists as a result of the allocation of investment opportunities by the General Partner to the Fund and such other investment funds.

Furthermore, as a result of their prior activities, the Principals already have economic interests in certain classes of securities by virtue of their relationship with prior investment funds which hold preferred stock of these securities. While the acquisition of shares by the Fund is not expected to have any significant impact on the value of the other shareholdings of the Principals, there is the potential for conflict. The Principals have an economic interest in other classes of the same share equity, including through their involvement in other classes of the Fund, and this too can create conflicts of interest.

Finally, the Fund may engage external service provider, such as DocSpark Solutions or other firms providing subscription and transfer services as well as investor diligence, directly or indirectly through the Fund's outside lawyers, accountants, tax providers and administrators. The Funds may only work with DocSpark on an arm's length basis and if the General Partner, in good faith, believes that the use of DocSpark would result in cost savings to the Fund. A Principal may have a financial interest in one or more of these service providers. In such event, the Fund may only engage such service providers if (x) such engagement is on an arm's length basis and (y) such engagement is approved by either the other Principal or Carmenta's external Advisory Board.

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

A. Code of Ethics

Carmenta has adopted a Code of Ethics (the “Code”) pursuant to Advisers Act Rule 204A-1 that sets forth the Firm’s ethical standards and governs the business conduct of the Firm and persons associated with the Firm. The Code describes Carmenta’s policies regarding confidential Fund information and regulates personal trading activity. Securities holdings and transactions of access persons and their immediate family members are reviewed to determine compliance with the requirements of the Code. The Code also contains other restrictions and reporting requirements designed to limit personal conflicts of interest. These provisions apply to all employees of the Firm. All personnel are also required to comply with applicable federal securities laws.

You may obtain a copy of our code of ethics upon request. Our contact information appears on the cover page of this Brochure.

B. Participation or Interest in Client Transactions

None of Carmenta’s Supervised Persons (as defined in the Code) may knowingly sell to or buy any security from a Fund without prior written permission from the Chief Compliance Officer (“CCO”) or the CCO’s designee. Additionally, all Supervised Persons (as defined in the Code, and which includes all employees) must submit quarterly transactions reports detailing personal securities transactions. Such reports will be reviewed by the CCO or the CCO’s designee to ensure compliance with the Code.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm’s owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund’s outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund.

Carmenta has adopted specific policies and procedures for monitoring the level of proprietary ownership in each fund it manages and for obtaining the requisite consent before engaging in a transaction that would be considered a principal transaction under applicable SEC interpretations.

C. Investment in Securities Recommended to Clients

Carmenta's Supervised Persons may not use knowledge about pending transactions or investments currently being considered on behalf of any Carmenta Fund for personal profit. To facilitate compliance with this policy, the CCO maintains a Restricted List containing certain securities the Firm or an affiliate of the Firm is analyzing or considering for a Fund. As noted above, all Supervised Persons (as defined in the Code) must submit quarterly transactions reports detailing personal securities transactions. Please refer to the discussion in Items 6 and 10.E of pecuniary interests in Carmenta Funds, the potential conflicts of interests arising from such pecuniary interests, and Carmenta's approach to mitigating these conflicts of interest.

ITEM 12: BROKERAGE PRACTICES

A. Selecting or Recommending Broker-Dealers

1. Soft Dollar Arrangements

Certain broker-dealers selected by Carmenta may provide over-the-transom, proprietary research at no stated cost or requirement of executing a particular amount of transactions. Such provision of research to Carmenta is consistent with the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Any other soft dollar arrangements Carmenta may enter in the future will also be consistent with the Exchange Act Section 28(e) safe harbor.

Also, consistent with these limitations and parameters, research products or services obtained with "soft dollars" generated by one or more Funds may be used by Carmenta to service one or more Clients, including Clients that may not have paid for the soft dollar benefits. Carmenta does not seek to allocate soft dollar benefits to Clients in proportion to the soft dollar credits each Client generates. If applicable, where a product or service obtained with soft dollars provides both research and non-research assistance to Carmenta (i.e., a "mixed-use" item), Carmenta will make a good faith allocation of the cost which may be paid for with soft dollars.

2. Brokerage for Referrals

Carmenta does not recommend, request or require that Funds or Investors direct Carmenta to execute transactions through a specified broker-dealer.

3. Directed Brokerage

Not applicable.

B. Aggregation of Trades

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, orders are aggregated and allocated pro-rata to the nearest round lot. In addition to considerations of equity, such aggregation avoids placing competing orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders. Carmenta may aggregate Fund orders for execution where it believes it is in the best interests of clients to do so. Carmenta has an allocation policy designed to ensure fair and equitable treatment of clients over time.

When investment opportunities become available, Carmenta will first determine the Funds for which the investment is appropriate taking into account multiple factors including pre-existing sectors, collateral exposures and client-specific constraints. If the investment is appropriate for more than one Fund, Carmenta will allocate the investment among eligible Funds pro rata based on the committed capital of each Fund, giving appropriate consideration to the current capital available for investment by each Fund at the time the opportunity becomes available.

Carmenta may cause a Fund to effect “cross” transactions – transactions in which securities or other portfolio holdings are bought and sold among and/or between the Funds. Such a transaction will only be carried out if Carmenta believes that the transaction will be beneficial to both Funds and if it is done in accordance with applicable law and Carmenta’s cross trades policies and procedures, which are designed to ensure compliance with all applicable laws. In addition, Carmenta’s policies do not allow any internal cross transactions between Funds without prior approval of the Chief Compliance Officer and without prior advice of counsel.

Certain Funds, as a result of applicable law (*e.g.*, ERISA) or as agreed with the Fund, may be unable to participate in cross-trades. Investors should understand that prohibitions on cross-trades may result in clients receiving poorer quality of execution or bearing costs in excess of what might have been the case were cross-trades permitted.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Account Review

The investments made by the Carmenta funds are private, illiquid and generally designed to be held long-term. Carmenta closely monitors these investments and the related issuers. The Firm generally on at least a quarterly basis confirms that each Carmenta Fund is in compliance with its stated investment objectives.

B. Client Reports

Investors in Carmenta Funds generally receive written annual audited financial reports and may receive unaudited reports and updates from Carmenta on a monthly or quarterly basis. Depending on the contractual details of the engagement, Carmenta may provide performance reports, holding reports and market commentary on a regular basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Neither Carmenta nor any Supervised Person may pay any cash fee or other compensation, directly or indirectly, to any finder or solicitor introducing any prospective Investor to any Fund unless the finder or solicitor is registered as or licensed with a broker-dealer, to the extent such registration or licensing is required by the Advisers Act or other applicable securities laws.

From time to time, Carmenta may, use finders or solicitors to solicit “client” accounts for the Funds, provided such use is always under the advice of counsel, in compliance with applicable law, and approved by the Chief Compliance Officer. If it decides to use finders and/or solicitors with respect to client accounts in the future, neither the Firm nor any Supervised Person may pay or agree to pay any cash fee or other compensation, directly or indirectly, to any such finder or solicitor except in compliance with Rule 206(4)-3 under the Advisers Act.

If recommended by counsel, there will be a written agreement between the Firm and any finder, solicitor, broker or other party introducing prospective investors or advisory clients to the Firm. Any such agreement must be reviewed and approved in advance by the Chief Compliance Officer.

In the event that the Firm uses capital introduction services, the Firm will require the capital introduction provider to represent either orally or in writing that: (i) it has a pre-existing relationship with the prospective investor; and (ii) it has pre-screened the prospective investor to ensure that the prospective investor is eligible to invest in the Funds prior to circulating any Carmenta materials to the prospective investor. The Firm will ensure that any materials provided to the capital introduction provider are in accordance with Rule 206(4)-1 of the Advisers Act (to the extent applicable) and are approved according to Carmenta’s policies and procedures.

ITEM 15: CUSTODY

Due to certain arrangements, Carmenta may be deemed to have “custody” of Client accounts, including the Carmenta Funds within the meaning of Rule 206(4)-2 under the Advisers Act.

Where Carmenta is deemed to have custody of Carmenta Fund’s cash or securities, Carmenta provides (or causes to be provided) to each Investor in the Fund a copy of the Fund’s audited financial statements within 120 days following the relevant Fund’s fiscal year end. Investors who do not receive audited financial statements timely should contact Carmenta immediately.

ITEM 16: INVESTMENT DISCRETION

Carmenta generally manages Fund assets on a discretionary basis with the authority to determine for each Fund what investments are made, as well as when and how they are made, consistent with and pursuant to limited powers of attorney granted for trading purposes through the relevant governing documents.

ITEM 17: VOTING CLIENT SECURITIES

Carmenta recognizes its duty to vote proxies in the best interest of the Funds. Rule 206(4)-6 under the Advisers Act (the “Proxy Voting Rule”) places specific requirements on registered investment advisers with proxy voting authority. Because Carmenta has discretionary authority over the securities held by the Funds, Carmenta is viewed as having proxy voting authority.

The general policy is to vote proxy proposals, amendments, consents or resolutions relating to Fund securities in a manner that serves the best interests of the Funds, as determined by Carmenta in its discretion, and taking into account relevant factors, including, but not limited to:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

Carmenta may abstain from voting (which generally requires submission of a proxy voting card) or affirmatively decide not to vote if the Firm determines that abstaining or not voting is in the best interests of the Fund.

Although not presently intended to be used on a regular basis, Carmenta may retain an independent third party to vote proxies in certain situations (including situations where a material conflict of interest is identified).

Please refer to Carmenta’s Compliance Manual for further details on proxy voting.

ITEM 18: FINANCIAL INFORMATION

A. Financial Disclosures

As a result of the General Partner receiving management fees from the Carmenta Funds annually in advance, Carmenta is disclosing below the balance sheets for the General Partner. The SEC requires balance sheets in this item of the Brochure for any firm receiving fees from clients of 6 months or more in advance. Given that the General Partner receives the management fees and performance fees from the Carmenta Funds, and not Carmenta, the balance sheets for the General Partner are listed below, prepared in accordance with generally accepted accounting principles.

Below is the balance sheet as of December 31, 2018 for Carmenta Capital Management, LLC ("CCM"), the General Partner for all of the Carmenta Funds, with the exception of Carmenta Growth Portfolio 2017, L.P. CCM receives the management fees and performance fees for such funds.

	<u>YTD</u>
Assets	
Investments	3,464,064
Cash	448,507
Management fees receivable	549,632
	<hr/>
Total assets	4,462,202
Liabilities	
Liabilities	130,934
	<hr/>
Total liabilities	130,934
	<hr/>
GP's capital	4,331,267
	<hr/>
Total liabilities and GP capital	<u><u>4,462,202</u></u>

Below is the balance sheet as of December 31, 2018 for Carmenta Growth Management 2017, LLC ("CCM 2017"), the General Partner for the Carmenta Growth Portfolio 2017, L.P. CCM2017 receives the management fees and performance fees for such fund.

	<u>YTD</u>
Assets	
Investments	607,310
Cash	
Management fees receivable	26,258
	<hr/>
Total assets	633,568
Liabilities	
Liabilities	22,218
	<hr/>
Total liabilities	22,218
	<hr/>
GP's capital	611,350
	<hr/>
Total liabilities and GP capital	<u><u>633,568</u></u>

B. Material Financial Impairment

Carmenta has discretionary authority over the Funds. At this time, neither Carmenta nor its Principal has any financial conditions that are likely to reasonably impair its ability to meet its contractual commitments to the Funds.

C. Bankruptcy Petitions

Carmenta has not been the subject of a bankruptcy petition in the last ten years.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not Applicable.

CARMENTA MANAGEMENT LLC
PRIVACY POLICY

This is for your information only. No action is required on your part.

At Carmenta Management LLC, protecting your privacy is very important to us. We want you to understand what information we collect and how we use it. We collect and use “nonpublic private information” in order to provide our clients with a broad range of financial services as effectively and conveniently as possible. We treat nonpublic personal information in accordance with our privacy policy.

“Nonpublic personal information” is nonpublic information about you that we obtain in connection with providing a financial service or product to you.

What Information Do We Collect?

In order to fulfill our obligations to you, we need certain information. Generally, this includes your name, address, social security number, date of birth, account numbers, and information about your income. We may also have access to other sensitive information, such as credit scores, income tax information and so forth.

Where Do We Get This Information?

We may collect nonpublic personal information about you from a variety sources, such as:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others, such as the custodian(s) of your account(s); and
- Information we receive from non-affiliated third parties, including consumer reporting agencies.

What Information Do We Disclose and To Whom Do We Disclose It?

We do not disclose any nonpublic information about you without your express consent, except as permitted by law and as needed to provide the services you have requested. This applies to current as well as former clients. We restrict access to your nonpublic personal information to those who need to know that information in order to provide products or services to you.

Our “affiliates” are companies with which we share common ownership.

Our Security Procedures

We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information. This includes measures to protect your information in the course of its disposal.