

**Form ADV Part 2A  
Firm Brochure**

**Astra Capital Management LLC**

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**March 2019**

**This brochure provides information about the qualifications and business practices of Astra Capital Management LLC (“Astra” or the “Firm”). If you have any questions about the contents of this brochure, please contact Raj Kumar at (202) 930-7432 or [kumar@astracapitalmgmt.com](mailto:kumar@astracapitalmgmt.com).**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

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

**Any reference to Astra Capital Management LLC as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training.**

## **Item 2 -Material Changes**

The last update for this Brochure was filed by Astra Capital Management LLC with the SEC on February 28, 2018. Astra has changed its physical address to 900 16TH ST. NW, Suite 450 Washington, DC 20006. Additionally, Raj Kumar has replaced James Martin as Astra's new Chief Compliance Officer as of March 2019. There have been no other material changes since the last update.

### **Item 3**

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#### **ITEM 4 – ASTRA CAPITAL MANAGEMENT LLC** **ADVISORY BUSINESS**

Astra Capital Management LLC (“**Astra**” or the “**Firm**”), a Delaware limited liability company was founded May 2014 and is headquartered in Washington, DC. Astra is comprised of a highly accomplished team of senior executives with decades of collective experience as investors, operators, entrepreneurs, consultants and regulators in the communications and technology industry. Astra’s founders (the “**Co-Founders**”) offer a unique blend of skills and experience across key disciplines essential to the successful deployment of Astra’s strategy. The group includes Kevin L. Beebe, former Group President of Alltel Communications; Todd M. Crick, former Founder of InCode Consulting and SVP of System Integration and Consulting at Ericsson; Mark J. Johnson, a former Global Partner and Managing Director at The Carlyle Group; William E. Kennard, former FCC Chairman, former Global Partner and Managing Director at The Carlyle Group, and U.S. Ambassador to the European Union; and Matthew M. Murphy, former President of Grande Communications.

Santee Capital Management LLC is a Member and majority owner of Astra. Mark Johnson is the Managing Member and principal owner of Santee Capital Management LLC.

Astra was formed to provide discretionary investment advice to private equity pooled investment vehicles that focus on acquisitions of growth companies in the communications and technology services industries. Astra targets a specific set of investment opportunities in three core sectors: broadband, mobility and tech-enabled business services (the “**Target Sectors**”) in which the team’s wealth of investment, operating and technical experience is expected to facilitate accelerated growth and outsized returns through the diligent application of proven strategic, financial and operational measures (“**Transformational Growth Investing**”).

Astra provides discretionary investment advisory services and management services to Astra Partners I, LP (the “**Private Equity Fund**”). In addition, Astra also provides investment advisory services to Astra-LOGIX Co-Invest I, LLC, Astra Partners-LOGIX Co-Invest I, LLC, Astra LOGIX Co-Invest II, LLC, Astra LOGIX Holdings, LLC and WRA-Astra LOGIX Investors LLC (each a “**Co-Invest Fund**” and, collectively, the “**Co-Invest Funds**”). The Private Equity Fund and the Co-Invest Funds (collectively, the “**Funds**”) are private equity pooled investment vehicles.

#### **General Partner and Manager to the Funds**

Astra is the Manager of Astra LOGIX Holdings, LLC and Astra LOGIX Manager, LLC.

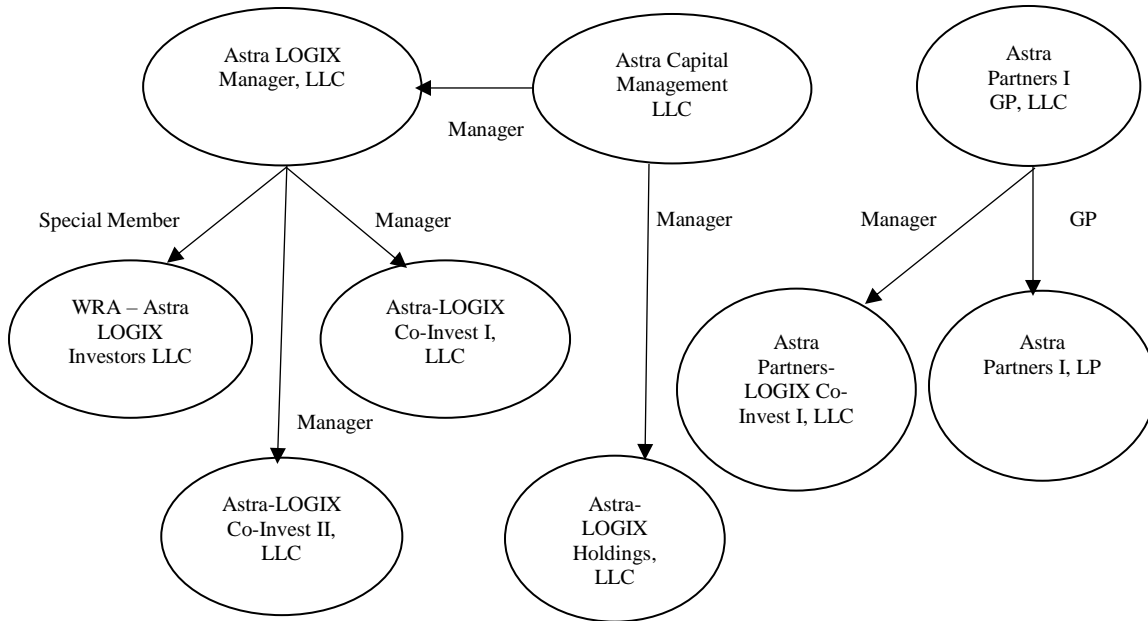
Astra Partners I GP, LLC, a Delaware limited liability company, is the General Partner to Astra Partners I, LP and the Manager to Astra Partners-LOGIX Co-Invest I, LLC.

Astra LOGIX Manager, LLC is the Manager to Astra-LOGIX Co-Invest I, LLC and Astra-LOGIX Co-Invest II, LLC.

WRA-LOGIX Holdings Ltd is the Manager of WRA-Astra LOGIX Investors LLC.

Astra Partners I GP, LLC and Astra LOGIX Manager, LLC (as a special member with respect to WRA-Astra LOGIX Investors LLC) are hereinafter referred to as a “**General Partner**” or “**Manager**” and collectively as the “**General Partners**” or “**Managers.**”

Please see the following organizational chart highlighting the relationship between the General Partner, the Managers and the Funds:



Investment advice is provided by Astra directly to the Funds and not individually to the investors, limited partners or members thereof, subject to the direction and control of the General Partner. “**Investors**” refer to investors, limited partners or members in the Funds.

The Limited Partnership Agreement of the Private Equity Fund allows the General Partner of the Private Equity Fund to establish one or more co-investment vehicles to facilitate additional investment by certain investors in some or all of the investments made by the Private Equity Fund. The Co-Invest Funds are generally structured as limited partnerships, limited liability companies or other similar entities.

### **Advisory Board of Investors**

An advisory board of Investors of Astra Partners I, LP (the “**Advisory Board**”) will be established consisting of at least three representatives of the limited partners of the Private Equity Fund selected by the Astra Partners I GP, LLC, who are not affiliated with Astra Partners I GP, LLC. The Advisory Board will meet as requested by Astra Partners I GP, LLC to (i) review any matters involving potential conflict of interest, (ii) review valuations of

assets held by Astra Partners I, LP, and (iii) give or withhold consent to certain matters provided for in the Limited Partnership Agreement of Astra Partners I, LP.

Astra does not participate in wrap fee programs.

As of December 31, 2018, the Firm's regulatory assets under management were US \$327,505,500 .

## **ITEM 5 – FEES AND COMPENSATION**

### **Management Fee**

As compensation for its advisory services to the Private Equity Fund, Astra will generally receive a 2% per annum fee (“**Management Fee**” or “**Management Fees**”) payable quarterly in advance and deducted from the Private Equity Fund. Management Fees will be reduced by 100% of any net break-up fees, transaction, monitoring, directors’ or other fees received by Astra, the General Partner or certain principals (the “**Principals**”) that are attributable to the activities of the Private Equity Fund or its portfolio companies.

Following the Commitment Period of the Private Equity Fund, the annual Management Fee will be decreased to 2.00% of the aggregate funded commitments of Investors, reduced by the aggregate amount of distributions to the Investors constituting a return of invested capital and the amount of any permanent write down (to the extent of the write down).

The Management Fees relating to the Private Equity Fund may be paid out of current income and the disposition proceeds of the Private Equity Fund and, to the extent necessary, from drawdowns, which will reduce the remaining commitments of the Investors in the Private Equity Fund.

### **Offering and Organizational Expenses**

The Private Equity Fund will generally be responsible for all legal, accounting, filing and other organizational expenses, including the out-of-pocket expenses of Astra and its General Partner, incurred in the formation of the Private Equity Fund (“**Organizational Expenses**”). The Private Equity Fund will be responsible for Organizational Expenses up to \$1,250,000. Organizational Expenses in excess of \$1,250,000, if any, will be reimbursed to the Private Equity Fund by Astra through a ratable reduction in the Management Fee payable over the Private Equity Fund term.

### **Operating Expenses**

Astra and the General Partner of the Private Equity Fund will pay all of their ordinary administrative and overhead expenses in managing the Private Equity Fund's investments, including salaries, benefits and office rent.

The Private Equity Fund will pay all other expenses attributable to the activities of the Private Equity Fund including without limitation: (i) all expenses, costs and liabilities incurred in connection with the evaluation, making, holding, sale, proposed sale, other disposition or valuation of actual or proposed portfolio investments and temporary investments for the Private Equity Fund, whether or not consummated (including, but not limited to, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions, travel (up to first-class fares domestically and business class fares internationally), meals, entertainment, legal, accounting, audit, investment banking, consulting, finders', financing, information services and due diligence fees and expenses, and other fees and expenses in connection therewith, to the extent not subject to reimbursement from third parties); (ii) costs and liabilities incurred in connection with litigation, or other extraordinary events, D&O liability and other insurance and indemnity expenses; (iii) all taxes, fees and other governmental charges payable by the Private Equity Fund, expenses incidental to the transfer, servicing and accounting for the Private Equity Fund's cash and securities, including all charges of depositories and custodians, and all expenses incurred by the General Partner of the Private Equity Fund in its capacity as the "tax matters partner" or the "partnership representative;" (iv) all expenses and costs associated with meetings of the Investors; (v) all expenses and costs of the Advisory Board, and Private Equity Fund's pro rata share, as reasonably determined by the General Partner of the Private Equity Fund, of the costs of the Industry Advisor Network (as defined in the Confidential Private Placement Memorandum of the Private Equity Fund) for certain of the Private Equity Fund; (vi) brokerage commissions, custodial expenses, trustee, appraisal and record keeping fees and other administrative and investment costs incurred in connection with portfolio investments and temporary investments; (vii) expenses incurred in connection with the maintenance of the Private Equity Fund's books of account and the preparation of audited or unaudited financial statements required to implement the provisions of the Limited Partnership Agreement of the Private Equity Fund or by any governmental authority with jurisdiction over the Private Equity Fund (including, without limitation, fees and expenses of independent auditors, accountants and counsel, the costs and expenses of preparing and circulating any reports called for by the Limited Partnership Agreement of the Private Equity Fund and any fees or imposts of a governmental authority imposed in connection with such books and records and statements) and other routine administrative expenses of the Private Equity Fund or its subsidiaries, including, but not limited to, the cost of the preparation of tax returns, cash management expenses and insurance and legal expenses, preparation of Schedule K-1s, any administrative, regulatory or other reporting or filing directly attributable to the Private Equity Fund (including any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation that are attributable to the Private Equity Fund); (viii) the Management Fee, (ix) any taxes, fees and other governmental charges levied against or payable by the Private Equity Fund except to the extent that the Private Equity Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the Investors), (x) placement fees, (xi) expenses incurred in connection with any indebtedness of the Private Equity Fund and any Alternative Investment Vehicle or any other credit arrangement (including, without limitation, any line of credit, loan

commitment or letter of credit), (xii) costs and expenses that are classified as extraordinary expenses under GAAP, and (xiii) any Excess Organizational Expenses, but not including (A) Organizational Expenses other than excess Organizational Expenses, (B) ordinary overhead and administrative expenses that are payable by Astra or the General Partner of the Private Equity Fund, and (C) any expenses included as “investment contributions.”

### **Ordinary Day-to-Day Expenses**

Astra will bear its ordinary day-to-day expenses incidental to the operation of the Private Equity Fund. In a completed acquisition transaction, the portfolio company will be responsible for transactional expenses, including the fees and expenses of its lenders, investors, attorneys, accountants, consultants and advisors and other costs associated with consummating the transaction, including out-of-pocket travel expenses. Astra may charge portfolio companies directors’ fees, transaction fees, monitoring fees, break-up fees and other similar advisory fees. The Management Fee paid by the Private Equity Fund will be partially or entirely reduced by the amount of any such fees received by Astra or its affiliates, subject to certain exceptions. The Private Equity Fund shall be responsible for any transaction expenses incurred in connection with a transaction that is not consummated.

### **Co-Investment Vehicles**

The underlying Investors in the Co-Invest Funds may be subject to a management fee and certain organizational and operating expenses pursuant to an arrangement between Astra (or its affiliates) and the underlying Investor.

Further, the General Partner of the Private Equity Fund from time to time offers certain persons, including existing Investors, strategic partners or other third parties, the opportunity to co-invest in particular investments alongside of the Private Equity Fund, subject to certain restrictions. In each case where co-investors participate in an investment, such co-investors will bear their pro rata share of any expenses associated with such investment.

The General Partner of the Private Equity Fund reserves its absolute discretion to allocate co-investment opportunities among the Investors. In exercising its discretion to allocate co-investment opportunities, the General Partner may consider a number of factors, which in general, may include: the co-investor’s sophistication in the relevant industries and strategic benefit of having the Investor as a co-investor; the relationship of the Investor with the General Partner; and other relevant considerations.

### **Solicitation or Finders Fees**

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



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

An additional fee will include a performance-based carried interest of 20% of the net profits earned from all portfolio companies in the Private Equity Fund, with a catch-up on the preferred return, calculated on each investment. The preferred rate of return will be 8% per annum on capital invested. The General Partner of the Private Equity Fund is subject to a “clawback” of carried interest previously received to the extent that the General Partner has received cumulative distributions in excess of amounts otherwise distributable to the General Partner by the Private Equity Fund as “carried interest”. In no event will the General Partner of the Private Equity Fund be required to restore more than the cumulative distributions received by the General Partner as “carried interest”, determined on an after-tax basis. The existence of the General Partner’s carried interest may create an incentive for the General Partner to make investments that are riskier for the Private Equity Fund than would be the case if the General Partner did not receive carried interest.

The underlying Investors in the Co-Invest Funds will generally be subject to a performance-based carried interest pursuant to an arrangement between Astra (or its affiliates) and the underlying Investor.

## **ITEM 7 – TYPES OF CLIENTS**

Astra’s clients are the Funds. Interests in the Funds may be purchased only by individuals and entities who are “**accredited investors**” as defined in Regulation D promulgated under the Securities Act of 1933 (the “**Securities Act**”) and “**qualified purchasers**” (as defined in Section 2(a)(51) of the Investment Company Act of 1940 (“**1940 Act**”)), or “**knowledgeable employees**” as identified in the 1940 Act. These may include other private funds, public and private pension funds, financial institutions, insurance companies, high net worth individuals and family offices.

Astra and/or the General Partners or Managers and the Funds may enter into side letters or other writings to or with certain Investors, which have the effect of establishing rights for such Investors not afforded to other Investors, or allowing such Investors to invest in the Funds on terms that differ from the terms described in the Limited Partnership Agreement or the Operating Agreement for the particular Fund.

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

### **Transformational Growth Investing**

Astra believes it has the talent, network and experience to drive substantial value creation in its portfolio companies and outsized returns for the Private Equity Fund and its Investors. Specialization in its Target Sectors with established companies poised for a transformation in key sectors of the communications and technology landscape allows the Co-Founders, Astra’s investment professionals, and the Industry Advisor Network (collectively, the

“Astra Team”) to maximize return on investment by targeting attractive businesses with great need for its expertise and limited access to premier investment partners. Astra is constantly in pursuit of unique situations in which it can support the transformation of these companies. Astra selects what it believes are highly scalable companies with strong prospects, proven technologies, and strategic assets and invests when these businesses are at an inflection point where it can play a critical role in fostering growth through change of governance, operations and capital structure.

The Astra Team employs organic (strategic repositioning, geographic expansion and EBITDA growth via sales and cost optimization) and inorganic (use of leverage, mergers and acquisitions, and creative investment structures) value creation strategies throughout the investment process. The foundation of Astra’s approach is to build and back strong management teams and work with them to develop and implement a value creation plan. These activities include pursuing: (a) geographic expansion; (b) market share increase; (c) operational enhancements; (d) acquisitions/ divestitures; and (e) strategic/ product repositioning.

Ultimately, Astra’s goal is to generate alpha for its Investors. Astra seeks to maximize returns by sourcing opportunities in attractive areas, pricing investments with discipline, structuring them with prudence and creativity, facilitating attractive exit alternatives and always pursuing upside to its investment case through very hard work in a few unique situations.

### **Value Creation Levers**

Transformational Growth Investing allows the Astra Team to utilize their decades of experience in situations where it believes there are maximum value creation opportunities. Throughout their careers, the Astra Team has used these value creation levers to successfully foster accelerated growth and strong returns in comparable situations. The key areas of value creation and prior experience using them include: (a) Market Expansion; (b) Strategic Repositioning; (c) Operational Enhancements; and (d) Capital Markets Expertise.

### **Certain Risk Factors and Conflicts of Interest**

An investment in the Funds involves a high degree of risk. This following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a decision to purchase an interest in the Funds. Prospective Investors in the Funds should carefully consider the following investment risks and considerations in evaluating each Fund and its business before making a decision to purchase an interest in a Fund. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that a Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program, or that an Investor will receive a return of capital.

**Lack of Operating History; Prior Investment Performance Not Indicative of Future Results**

Although the Astra professionals have had extensive experience investing in the private equity market, the Funds and the General Partners/Managers are newly formed entities with no operating history upon which to evaluate the Funds' likely performance. The performance of past portfolio investments by the Astra Team are not necessarily indicative of the results that will be achieved by the Funds. There can be no assurance that the targeted IRR will be attained or that an Investor will receive a return of capital. On any given investment, total loss of principal is possible.

**Lack of Liquidity; Restrictions on Transfer and Withdrawal**

Investment in the Funds requires a long-term commitment, with no certainty of the timing or magnitude of returns. There most likely will be little or no near-term cash flow available to the Investors. Many of the Funds' investments will be highly illiquid, and there can be no assurances that the Funds will be able to realize a return on such investments in a timely manner. Consequently, dispositions of such investments may result in distributions in kind to the Investors of securities that may or may not be marketable. Additionally, the Funds will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. The Interests in the Funds have not been registered under the Securities Act or any other applicable securities laws. There is no public market for the Interests and none is expected to develop. In addition, the Interests are not transferable except with the consent of the General Partner, which it may generally withhold in its sole discretion. Investors generally may not withdraw capital from the Funds. Consequently, Investors may not be able to liquidate their investments prior to the end of each Fund's term.

**Nature of Fund Investments; Risk of Limited Number of Investments**

The Funds intend primarily to make control private equity and equity-related investments in small and medium- sized companies. Such investments will necessarily have significant risks as a result of business, financial or legal uncertainties. There can be no assurance that the nature and magnitude of the various factors that could affect the value of such investments will be evaluated correctly. Certain of the Funds' investments may be in businesses with high levels of debt or may be investments in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Since the Funds may only make a limited number of investments and since the Fund's investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the Investors.

## **Investment and Due Diligence Process**

Before making investments, Astra will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Astra may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, Astra will rely on the resources reasonably available to it, which in some circumstances whether or not known to Astra at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

## **Increased Regulatory Oversight**

Increased regulation and regulatory oversight of private investment funds and their managers may impose administrative burdens on Astra, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert Astra's time, attention and resources from portfolio management activities. Such regulatory inquiries are generally confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

## **Small and Medium Size Companies**

Astra will invest the assets of the Funds in small and medium-sized companies. Investments in such companies, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in large companies. Some of such companies may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Further, these companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. Companies with new or relatively new products could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products and may be adversely affected by purely local events. 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, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-sized companies, could make it difficult for the Funds to react quickly to negative economic or political developments. Lastly, such companies may be relatively small participants in their respective industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

## **Telecommunications Industry Investments**

Astra intends to invest the assets of the Funds in the telecommunications industry. The telecommunications industry is characterized by pervasive and dynamic regulation at the federal, state, and local level. In addition, certain aspects of the telecommunications industry (e.g., satellite) are also regulated at the international level. Regulation of the telecommunications industry at these various levels introduces a level of uncertainty and unpredictability into telecommunications businesses. Moreover, epic changes in the technologies that deliver telecommunications continue to sweep the industry, which means that regulators often cannot keep pace with the technological changes. This results in modern technologies that must grapple with outmoded regulations, further exacerbating the regulatory uncertainty facing the industry. Accordingly, a Fund's ability to ascertain the precise level of regulation, including, for example, the extent of potentially applicable regulatory fees or taxes to a particular telecommunications business, can be difficult or impossible to assess with certainty.

## **Competitive Landscape**

Current or new market entrants continue to develop new technologies on a daily basis that threaten the ability of the companies that Astra may invest in to generate stable revenues. These disruptive technologies can quickly make the technologies employed by the companies Astra invest in obsolete, thus undermining their ability to generate revenue.

## **High Capital Expenditures**

Many segments of the telecommunications industry are characterized by very high capital expenditures that are required to maintain or improve service. For example, the cost to build out fiber networks or build and launch a satellite can be in the hundreds of millions of dollars. Its ability to assist the companies in which Astra invests to make the necessary capital expenditures to remain competitive could be impacted by myriad factors outside its control, such as access to capital at reasonable rates.

## **Certain Restrictions on Investments**

The Federal Communications Commission (FCC) places restrictions on the level of foreign investment in certain segments of the industry that could impact its ability to sell portfolio companies to potential foreign buyers. In addition, the presence of foreign ownership in Astra's capital structure could impact the timing for Astra to obtain regulatory approval to acquire certain FCC-regulated companies. In addition to the FCC, the Committee on Foreign Investment in the United States, or CFIUS, also reviews transactions involving the sale of a U.S. business to a foreign buyer where the transaction could impact national security. CFIUS has in the past reviewed sale transactions in the telecommunications industry and placed certain conditions on those transactions or even outright prohibited them, which could limit the universe of potential buyers to whom Astra could sell certain

of its portfolio companies, or, in certain circumstances, impact its ability to buy certain telecommunications businesses.

### **Follow-On Investments**

The Funds may find it necessary to provide follow-up funding for their respective portfolio companies. There can be no assurance that the Funds will have sufficient funds to do so. Any inability to make follow-on investments may have a substantial negative impact on a portfolio company in need of such an investment.

### **Bridge Financings**

From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

### **Non-U.S. Investments**

In advising the Funds, Astra may make investments in businesses operating and/ or organized outside of the United States, particularly in Canada. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. For instance, investments in non-U.S. businesses (i) may require significant government approvals under, and expose the Funds to risks stemming from, corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations, (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States, and (iii) will expose the Funds to potential losses arising from changes in foreign currency exchange rates. The foregoing factors may increase transaction costs and adversely impact the value of a Fund's investments in non-U.S. portfolio companies.

### **No Right to Control the Fund's Operations**

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Funds. Investors must rely entirely on the Astra and the General Partners or Managers to conduct and manage, respectively, the affairs of the Funds. Purchasers of Interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Funds and, accordingly, will be dependent upon the judgment and ability of the Astra and the General Partners or the Managers in investing and managing the capital of the Funds. No assurance can be given that the Funds will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Funds will be achieved.

### **Investments in Troubled and Leveraged Companies**

Astra may invest the assets of the Funds in securities of financially troubled companies and securities of highly leveraged companies. While these investments are likely to be particularly risky, they also may offer the potential for correspondingly high returns. Under certain circumstances, payments to the Funds and distributions by the Funds to the Investors may be reclaimed if any such payment is later determined to have been a preferential payment.

### **Expedited Transactions**

Investment analyses and decisions by Astra may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Astra at the time of an investment decision may be limited, and Astra may not have access to detailed information regarding the investment opportunity. Therefore, no assurance can be given that Astra will have knowledge of all relevant circumstances that may adversely affect an investment. This lack of knowledge may expose Investors to risk of loss.

### **Liabilities upon Disposition**

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and/ or may be responsible for the content of disclosure documents under applicable securities laws. The Funds may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Investors to the extent that the Investors have received prior distributions from the Funds, subject to certain limitations. The Partnership Agreement or Operating Agreement of each particular Fund includes provisions to this effect.

### **Cybersecurity Risks**

Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted; (a) customer data or payment information; (b) customer or portfolio company financial information; (c) portfolio company software, contact lists or other databases; (d) portfolio company proprietary information or trade secrets; or (e) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the Funds, to substantial losses. In addition, in the event that such a cyber-attack

or other unauthorized access is directed at Astra or one of its service providers holding its financial or investor data, Astra, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks.

### **Third Party Litigation**

The Funds' investment activities subject it to the risks of becoming involved in litigation by third parties. This risk is somewhat greater where the Funds exercises control of, or significant influence in, a company's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would, absent certain conduct by Astra or the General Partners' or Managers' professionals, be borne by the Fund(s) and would reduce net assets and could require Investors to return to the Fund(s) distributed capital and earnings. Astra and General Partner/Manager professionals and others are entitled to be indemnified by the Funds in connection with such litigation, subject to certain conditions.

### **Reliance on Management of Portfolio Companies**

While Astra, the General Partners and the Managers generally will seek to invest in companies with proven operating management in place, there can be no assurance that any portfolio company's management team will operate such portfolio company successfully. Although Astra will monitor the performance of each investment, the Funds will rely upon management to operate the portfolio companies on a day-to-day basis.

### **Risks Arising From Provision of Managerial Assistance**

The General Partners or Managers may structure the Funds' investments so that the Funds will be "venture capital operating companies" within the meaning of regulations promulgated under the Employee Retirement Income Security Act of 1974. This would require the Funds to obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of the Funds' portfolio companies. Regardless of whether the Funds structure their respective investments so that the Funds are venture capital operating companies, the Funds may designate directors to serve on the boards of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors, including claims that the Funds are controlling persons and thus are liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against the Funds if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose the Funds to claims that they have interfered in management to the detriment of a portfolio company. While Astra intends to manage the Funds in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.



## **Co-Investment Risks**

The Funds may invest alongside strategic, financial or other third-party co-investors, including future funds formed by Astra and its affiliates. The Funds' ability to achieve certain co-investment objectives assumes that the Funds will be able to negotiate and execute mutually acceptable terms and conditions in respect thereof. Such investments will involve additional risks that may not be present in investments that do not involve a co-investor, including the possibility that a co-investor may at any time have economic or business interests or goals that are not consistent with those of the Funds, may be in a position to take action contrary to future funds formed by Astra and its affiliates or may default on its obligations.

## **Use of Leverage**

Although the General Partners or Managers will seek to use leverage in a manner they believe to be prudent, the leveraged capital structure of the Funds' portfolio companies will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry. Such investments are inherently more sensitive to declines in revenues and to increases in expenses. If a portfolio company defaults on secured indebtedness, the lender may foreclose and the Funds could lose their entire investment in such portfolio company.

## **General Economic Conditions**

General economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Funds or considered for prospective investment. The current global and economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes, the fear of a prolonged global conflict, and the recent economic recession in the United States and around the globe have exacerbated volatility in the financial markets and can cause consumer, corporate, and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which the Funds makes investments.

## **Anchor Investment**

Astra and certain of its affiliates have entered into a strategic relationship with certain key investors (the "**Anchors**"), whereby the Anchors have agreed to make significant capital commitments to the Private Equity Fund. Although the Anchors do not have the right to participate in the investment process or the day-to-day management of Astra, they may have financial or other interests that could conflict with the interests of Astra and the Private Equity Fund's other Investors. The Anchors' interests in the Private Equity Fund

generally, and the Anchors' economic interests in the Management Fee and Carried Interest distributions, respectively, will differ substantially from the interests of the other Investors, and the Anchors' interests in their capacity as Investors may at times conflict with certain of the Anchors' entitlements. Where the Anchors participate in a vote of the Investors or vote or otherwise participate as members of the Advisory Board, the Anchors' interests (economic or otherwise) may not be aligned in whole or in part with those of the other Investors or Advisory Board members. In connection with matters of the Private Equity Fund, the Anchors and their representative on the Advisory Board may consider their own interests without, to the extent permitted by law, any duty or obligation to consider or act in the interests of any other Investor, the General Partner, the other Advisory Board members or any other person. The Anchors' respective ownerships in the Private Equity Fund as a percentage of the interests held by all Investors may mean that, with respect to any vote of the Investors, the other Investors may not have sufficient votes to take a particular action without also having received the affirmative vote of the Anchors with respect to such matters.

### **Competitive Nature of the Fund's Business and the Market for Investment Opportunities**

The business of the Funds is highly competitive. Astra will be competing for investments against other groups, including direct investment firms, business development companies, strategic industry acquirers, merchant banks, and other financial investors investing directly or through affiliates. Some of these competitors may have more relevant experience, greater financial resources, and more personnel than the Funds, the General Partner, the Managers or their respective affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Moreover, other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the Board of Directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of Astra.

Accordingly, there can be no assurance that the Funds will be able to identify or consummate investments satisfying its investment criteria or that such investments will satisfy the Funds' rate of return objective. Likewise, there can be no assurance that the Funds will be able to realize the value of their respective investments or that they will be able to invest its committed capital. To the extent that the Funds encounter competition for investments, returns to Investors may decrease.

### **Dependence on Key Personnel**

The success of the Funds depends in substantial part on the skill and expertise of the Astra professionals. There can be no assurance that the Astra professionals will continue to be employed by or affiliated with Astra or its affiliates throughout the life of the Funds. The loss of key personnel could have a material adverse effect on the Funds.

### **Allocation of Investment Opportunities**

Astra may also, from time to time, permit one or more co-investors to invest alongside the Fund in amounts determined by Astra. Such co-investors may invest on different terms from those applicable to Investors in the Private Equity Fund including with respect to management fees and carried interest.

### **ITEM 9 – DISCIPLINARY INFORMATION**

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

### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The General Partners and Managers are each a related person of Astra.

Neither Astra nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer; futures commission merchant; commodity pool operator; commodity trading advisor; or an associated person of the foregoing entities.

Neither Astra nor any of its management persons has any relationship or arrangement that is material to Astra's advisory business or its Funds with the related persons described in the instructions to this item. Further, the Firm does not recommend or select other investment advisers for the Funds.

### **ITEM 11 – CODE OF ETHICS**

Astra maintains a Code of Ethics (“**Code**”) that summarizes the firm's ethical standards and its policies and procedures relating to:

- Use of material, non-public information;
- Insider trading;
- Gifts and entertainment;
- Fiduciary duty;
- Conflicts of interest;
- Outside business activity;
- Political contributions; and
- Personal securities trading.

In the conduct of its business, Astra owes its clients a fiduciary duty and, as such, is required to avoid even the appearance of a conflict of interest. When acting as a fiduciary, an investment adviser owes its clients a duty of loyalty and trust including a requirement to address, or at minimum disclose, conflicts of interest that may exist between different clients; between the firm and clients; or between its employees and its clients. Therefore, the Code is designed to detect and prevent potential problems when Astra employees own, buy or sell securities that also may be owned by, or bought or sold for Funds that it advises. The Code's personal trading procedures also contain policies and procedures designed to address insider trading and the use of material, non-public information by Firm employees and to require periodic reporting of their securities transactions. Before an employee can initiate certain personal securities trades, s/he is required to obtain pre-clearance from the compliance department. The Code also requires all employees to provide copies of all monthly statements to the Firm. These are then reviewed by compliance personnel for potential conflicts and for improper use of material, non-public information.

Astra's policies and procedures also prohibit its employees, who acquire products and services that are used in its investment activities, from being unduly influenced by the receipt of gifts, meals or entertainment from the sellers of such products or services. Similarly, Astra employees are instructed not to attempt to unduly influence clients or potential clients with these or other inducements, such as charitable contributions or personnel gifts. In order to address these potential conflicts of interest, Astra has adopted a policy and procedure for giving and receiving gifts and entertainment under the Code.

### **Participation or Interest in Client Transactions**

Astra investigates and structures potential investments of the Funds, as described in Item 16 below. Partners, principals and employees of Astra will have a material financial interest in these investments by virtue of their relationship to the General Partners or Managers of the Funds, as described in Item 6 above. The Code of Ethics and Compliance Manual are designed to ensure compliance with the provisions of each Limited Partnership Agreement or Operating Agreement of each particular Fund addressing potential conflicts of interest involving Astra and its related persons.

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

### **Privacy Policy**

Astra is committed to maintaining the confidentiality, integrity, and security of its Investors' and prospective investors' personal information. It is Astra's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. Astra does not disclose any non-public personal information about its Investors or former Investors to anyone except for servicing and processing transactions and as required by law. Astra restricts access to non-public personal

information about its Investors to those employees with a legitimate business need for the information. Astra maintains security practices including physical, electronic, and procedural safeguards in order to guard its Investors' and prospective investors' non-public personal information.

Upon request, Astra will provide Investors and prospective investors with a copy of its privacy policy.

## **ITEM 12 – BROKERAGE PRACTICES**

As an adviser to private equity funds, Astra does not generally make investments in securities listed on national exchanges. While Astra primarily make investments directly with private issuers, there may be situations where Astra places a trade through a broker, particularly if there has been a liquidity event in a portfolio holding. In such an event, Astra will seek “best execution” in light of the circumstances involved in transactions. In selecting a broker for any transaction, Astra may consider a number of factors, including, for example, the broker's reputation, net price or spread, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. Astra will not be obligated to obtain the lowest commission or best net price for a client on any particular transaction.

Astra intends to monitor transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers that the Firm uses in order to determine that commission rates are competitive and otherwise to evaluate the reasonableness of the commission rates paid to those brokers and dealers in light of all the factors described above. Astra does not have any formal or informal soft dollar arrangements nor does the Firm receive any soft dollar benefits from any broker, dealer or other counterparty.

## **ITEM 13 – REVIEW OF ACCOUNTS**

Astra provides continual portfolio management and administrative services to the Funds, including analyzing, performing due diligence, structuring, executing and managing portfolio investments, reporting, communication and advising on disposition opportunities. The Astra Team meets formally at least once a week to discuss and analyze each potential investment opportunity under consideration as well as investment themes and new ideas to pursue. This collaborative effort is designed to lead to a more informed decision-making process. The decision to proceed to the next stage of an investment will be made on a weekly basis through informal discussion and will be re-evaluated each week based upon due diligence findings and further analysis.

Investors in the Funds will be provided with audited annual financial reports and quarterly unaudited summary financial information in accordance with the terms of the Limited

Partnership Agreement or Operating Agreement of each particular Fund. This information may be provided electronically. Investors will also be provided with annual tax information.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Astra does not anticipate paying third parties a fee or compensation for the referral of an investor to one of the clients managed by Astra. If Astra were to pay a third party a fee or compensation for such a referral, the third party would be required to provide prospective investors with a current copy of Astra's Form ADV Part 2. Typically, the solicitor employee of the broker-dealer referring the investor would receive a percentage of the subscription amount of that referred Investor.

#### **ITEM 15 – CUSTODY**

Astra complies with the requirements of Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”) with regard to Astra's custody of the assets of the Funds and the assets of certain other private equity pooled investment vehicles managed by Astra by meeting the conditions of the pooled vehicle annual audit provision.

Annually, upon completion of the annual audit of the Funds, Astra shall seek to ensure that the audited financials are delivered to Investors within 120 days of the fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors should carefully review the audited financial statements.

Astra has and may also continue to establish co-investment vehicles or special purpose vehicles (collectively “**SPVs**”) to invest in a particular investment side-by-side with one or more of the investment vehicles. If any investor(s) in such SPV is not an Investor in an investment vehicle related to the SPV, Astra will ensure the SPV is (i) audited at least annually and (ii) such audited financial statements are distributed to all Investors in such SPVs.

For certain other co-investment private equity pooled investment vehicles whereby Investors are related parties or existing Investors in the Funds, Astra is relying on SEC IM Guidance (June 2014) that addresses the application of the custody rule as it applies to special purpose vehicles.

Astra currently uses Silicon Valley Bank as its qualified custodian.

#### **ITEM 16 – INVESTMENT DISCRETION**

Astra has complete investment discretion in managing the investments of the Funds. The terms of these investments, Astra's investment strategy and guidelines around the use of Astra's discretion are described in detail in each Fund's offering memorandum.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

Astra invests primarily in private securities and therefore generally is not in a position to vote public company proxies. However, Astra has established written policies and procedures setting forth the principles and procedures by which Astra votes or gives consent with respect to securities owned by the Funds. A copy of Astra's voting procedures is contained within the Firm's Compliance Manual and are available to Investors in the Funds upon request.

#### **ITEM 18 – FINANCIAL INFORMATION**

Astra is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to the Funds.