

**Item 1: Cover Page**

**Part 2A of Form ADV – Lucha Capital Management LP**

One Lombard Street, Suite 202  
San Francisco, CA 94111  
Phone: (415) 704-8200

**March 2019**

This Brochure provides information about the qualifications and business practices of Lucha Capital Management LP (“**Lucha Capital**”). If you have any questions about the contents of this brochure, please contact us at (415) 704-8200 or by email at [shaynes@luchacapital.com](mailto:shaynes@luchacapital.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.

Any reference to Lucha Capital as a registered investment adviser does not imply any level of skill or training.

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

## **Item 2: Material Changes**

This is Lucha Capital Management LP's ("Lucha Capital" or the "Firm") annual updating amendment. Lucha Capital made no material changes to this Brochure since its last annual updating amendment dated March 30, 2018.

### **Item 3: Table of Contents**

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation.....	4
Item 6: Performance Based Fees and Side-by-Side Management .....	7
Item 7: Types of Clients.....	7
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9: Disciplinary Information .....	16
Item 10: Other Financial Industry Activities and Affiliations .....	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	17
Item 12: Brokerage Practices .....	17
Item 13: Review of Accounts.....	19
Item 14: Client Referrals and Other Compensation.....	19
Item 15: Custody.....	19
Item 16: Investment Discretion.....	20
Item 17: Voting Client Securities.....	20
Item 18: Financial Information .....	20

## **Item 4: Advisory Business**

### **Item 4.A.**

Lucha Capital Management LP (“**Lucha Capital**” or the “**Firm**”) is an investment advisory firm organized as a limited partnership under the laws of the State of Delaware. Marcelo Desio founded Lucha Capital in April 2016 and commenced advisory services on September 6, 2016. The Firm became registered with the United States Securities and Exchange Commission (“**SEC**”) on August 25, 2016. Lucha Capital Holdings, LLC is the general partner of Lucha Capital and is controlled by Mr. Desio. As indicated on Lucha Capital’s Form ADV Part 1A, Mr. Desio is the Firm’s principal owner.

### **Item 4.B.**

Lucha Capital provides investment advisory services on a discretionary basis to high net worth individuals, family offices and institutional investors through a privately offered pooled investment vehicle, Lucha Capital Partners LP (the “**Fund**”), and serves as a sub-adviser to other private investment funds (the “**Sub-Advisory Clients**”, and together with the Fund, the “**Clients**” and each a “**Client**”).

In providing advisory services to the Clients, Lucha Capital has discretion to formulate investment objectives, direct and manage the investment and reinvestment of the Clients’ assets. Lucha Capital does not limit its investment advice to only certain types of investments. Please see Item 8 (Methods of Analysis, Investment Strategies, and Risk of Loss) for more information.

### **Item 4.C.**

Terms of investments, including Client objectives, limitations and strategies are governed exclusively by the terms of the private placement memorandum, operating agreement, and/or an investment management agreement (collectively, the “**Governing Documents**”). Lucha Capital offers the same suite of services to all of its Clients. However, specific client investment strategies and their implementation are dependent upon the Client’s investment objectives. Sub-Advisory Clients may impose restrictions on investing in certain securities or types of securities. Investors in the Fund (“**Investors**”) cannot generally place such investment restrictions on Lucha Capital and may not tailor Lucha Capital’s advisory services to their individual requirements.

### **Item 4.D.**

Not applicable. Lucha Capital does not participate in, nor does it sponsor, wrap fee programs.

### **Item 4.E.**

As of December 31, 2018, Lucha Capital had \$755,639,670 in regulatory assets under management on a discretionary basis. Lucha Capital does not manage client assets on a non-discretionary basis.

## **Item 5: Fees and Compensation**

### **Items 5.A. and 5.B.**

Lucha Capital typically receives compensation from the Clients from the following sources: (a) fees based on a percentage of assets under management and (b) fees based on a percentage of the performance of the

Client accounts. With respect to one Sub-Advisory Client, Lucha Capital receives reimbursement of an agreed upon amount of the Firm's operating expenses in lieu of a management fee, as provided in that Sub-Advisory Client's Governing Documents. Fees for Sub-Advisory Clients are negotiable. Lucha Capital may enter into side letter agreements with some Investors varying the terms of their investment, including lower fee arrangements. Current and prospective Clients and Investors should carefully review all fees charged by Lucha Capital.

### Management Fee

In consideration for its services to the Fund, Lucha Capital is generally entitled to a management fee at an annual rate of 1.5% of each Investor's capital account balance (the "**Management Fee**"). For more details regarding the Management Fee, please refer to applicable Fund Governing Documents.

Generally, the Management Fee is calculated and paid each calendar quarter in advance. Lucha Capital may reduce or eliminate the Management Fee with respect to any Investor in its sole discretion. Lucha Capital and its affiliates will not be charged any Management Fee with respect to their interests in the Fund.

If an Investor contributes capital as of a date other than a quarter's first day, Lucha Capital will prorate the Management Fee as to that capital contribution. Similarly, if an Investor withdraws capital other than as of the end of a quarter, that Investor would be refunded the unearned portion of the Management Fee paid as to the withdrawn capital for the quarter in which the withdrawal is made.

### Incentive Allocation

Subject to certain terms and limitations disclosed in the Governing Documents, Lucha Capital is entitled to receive performance based compensation (the "**Incentive Allocation**") in an amount equal to 20% of the net capital appreciation (including unrealized appreciation) attributable to each Investor's capital account in the Fund (after taking into account expenses of the Fund, including any Management Fees). The Incentive Allocation is calculated at the fiscal year end of the Fund or anniversary or the close of the fiscal period defined in the Fund's Governing Documents. However, if the Investor withdraws from the Fund before year-end, an Incentive Allocation will be determined as of the date of redemption. The Incentive Allocation will be calculated on the basis of the aggregate balance in an Investor's capital account, irrespective of how many or when capital contributions are made to such capital account by such Investor.

The Incentive Allocation is subject to what is commonly known as a "high water mark." That is, if the Fund underperforms during a calendar year or other fiscal year as defined in the Fund's Governing Documents, the net underperformance will be recorded and carried forward to future calendar or fiscal years (such amount is referred to as the "Loss Carryforward"), and Lucha Capital will not receive the Incentive Allocation for future years until the Loss Carryforward amount has been recovered (i.e., when the Loss Carryforward amount has been exceeded by the cumulative net outperformance in the years following the Loss Carryforward). Once the Loss Carryforward has been recovered, the Incentive Allocation shall be based on the excess net capital appreciation over the Loss Carryforward amount, rather than on all net capital appreciation. The "high water mark" procedure prevents Lucha Capital from receiving the Incentive Allocation for net capital appreciation that simply restores previous underperformance and is intended to ensure that the Incentive Allocation is based on the long-term performance of the Investors' account. If an Investor makes a partial redemption from an account, the Loss Carryforward amount will be reduced by a corresponding percentage.

Sub-Advisory Clients are also subject to the management fee and incentive allocations. Such fees may vary by Sub-Advisory Client, based on the Sub-Advisory Client's investment objectives and limitations and in accordance with each Sub-Advisory Client's Governing Documents.

Lucha Capital deducts fees directly from the Fund. Fees for the Sub-Advisory Client accounts are typically billed to the Sub-Advisory Client account and paid from the assets of such account. If a Sub-Advisory Client terminates its account agreement or withdraws part of the balance from the account before the end of a calendar quarter, Lucha Capital generally will reimburse a pro rata of any fees collected in advance based on the number of days remaining in the quarter.

Lucha Capital renders its services to the Clients at its own expense and is responsible for its overhead expenses including: office rent; utilities; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes. As noted above, a Sub-Advisory Client compensates Lucha Capital for its advisory services to the Sub-Advisory Client through the reimbursement of an agreed upon amount of the Firm's operating expenses, as detailed in the Sub-Advisory Client's Governing Documents.

#### **Item 5.C.**

##### *Other Expenses Charged to the Clients*

Expenses described below are general in nature and not intended to be exhaustive. For more information regarding expenses associated with investing in the Fund, please refer to applicable Fund Governing Documents. Sub-Advisory Client expenses vary by client and are negotiated directly with each prospective client prior to commencement of advisory services.

Investors are subject to the following expenses associated with their investments in the Fund, in addition to the Management Fee and Incentive Allocation described above: the organizational and initial offering costs of the Fund, including legal, accounting, printing, marketing and comparable expenses (not including any placement fees). These costs and expenses are expected to be amortized for net asset value purposes in 60 equal monthly installments from the date on which the Fund first accepts subscriptions. However, the Firm may accelerate the amortization of such expenses. The costs and expenses that Lucha Capital advanced for the organization and initial offering will be reimbursed to Lucha Capital (without interest) by the Fund.

Each Investor bears the Fund's pro rata share of operating expenses that include, but is not limited to: commissions and other trading costs; interest on margin and other borrowings; borrowing charges on securities sold short; audit, accounting, custodial fees; tax return preparation and other compliance reporting, and other professional fees and expenses; legal fees (including fees paid to Lucha Capital's counsel for services for the Fund's benefit); governmental fees and taxes (excluding withholding taxes attributable to particular Investors); costs of reporting and making information available to Investors; investment research; costs of Fund governance activities, including costs of any Fund independent advisors or an advisory committee, if created; costs of compliance with regulatory, tax, and other filing and reporting requirements applicable to the Fund (including costs of preparing and submitting Form Ds, and Schedules 13D or 13G); fees and expenses paid or reimbursed to the administrator; costs of the ongoing offer and sale of interests in the Fund; and all other reasonable expenses related to the Fund's operations or asset purchases, sales, or transmittals.

A portion of the commissions generated on Clients' brokerage transactions may generate "soft dollar" credits that Lucha Capital is authorized to use to pay brokers and other providers for research and other research related services and products used by Lucha Capital. See Item 12 for more information.

**Item 5.D.**

Management fees for any period less than the full applicable billing period shall be prorated and a Client or Investor will be refunded the unearned portion of the management fee paid to Lucha Capital, in accordance with the Client's Governing Documents.

**Item 5.E.**

Not applicable. Neither Lucha Capital nor any of its supervised persons accept compensation for the sale of securities or other investment products.

**Item 6: Performance Based Fees and Side-by-Side Management**

As discussed in Item 5, Lucha Capital is entitled to receive an Incentive Allocation from the Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 under the Advisers Act.

Performance-based fees or compensation, in general, may create an incentive for Lucha Capital or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. To the extent that any such conflict were to arise, in order to address such conflict(s), Lucha Capital has implemented policies and procedures to ensure that all Clients receive equitable and fair treatment consistent with Lucha Capital's fiduciary duty.

**Item 7: Types of Clients**

Lucha Capital provides investment advisory services only to the Clients, as described in Item 4 above. Interest in the Funds is offered only to sophisticated and qualified investors, including but not limited to: high-net-worth individuals, family offices and institutions.

The minimum investment in the Fund is \$500,000, although Lucha Capital may elect to accept a lesser amount in its sole discretion.

Lucha Capital does not have a set minimum to accept a Sub-Advisory Client.

**Item 8: Methods of Analysis, Investment Strategies and Risk of Loss****Item 8.A.****Methods of Analysis and Investment Strategies**

Set forth below are summaries of the strategies primarily employed by Lucha Capital. The Clients' investment portfolios may participate in one or more of such asset categories and strategies as described in applicable offering materials and the governing agreements. The Clients' investment portfolios may also differ based on geographical focus, liquidity needs and other considerations.

Lucha Capital's investment objective is capital appreciation through investing and trading in primarily equity securities, while attempting simultaneously to preserve capital. Current income is not an objective.

Lucha Capital focuses primarily on publicly-traded equity and equity-related securities of companies including broad technology, media and services companies in sectors including but not limited to Enterprise hardware and software, business services, internet and ecommerce, semiconductor and other hardware companies. However, it is permitted to pursue a highly diverse range of investment and trading strategies. Lucha Capital sells short equity securities both as an independent profit opportunity and to attempt to hedge a portion, or the entirety, of the securities held long. Lucha Capital may also use leverage. Lucha Capital may buy or sell (write) options, both publicly-traded and over-the-counter, covered and uncovered, on securities and securities indices. It may invest a portion of its assets in illiquid securities, including privately-placed equity and distressed or defaulted debt (both convertible and non-convertible). Lucha Capital may also engage in futures and other derivatives transactions. Lucha Capital investment program is speculative and entails substantial risk. There is no assurance that the Clients' objectives will be achieved.

*Allocation of Initial Public Offering Securities.* Lucha Capital may be given the opportunity to participate in initial public offerings ("IPOs"). All IPOs will be for the benefit of eligible Clients, except that IPOs are not allocated to directed brokerage accounts. Lucha Capital will generally allocate IPO opportunities among its client accounts on a rotating basis if they cannot be proportionally allocated, in accordance with the Firm's IPO allocation policies and procedures.

#### **Items 8.B. and 8.C.**

Lucha Capital's investment strategy involves a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective Clients should also carefully review the risks described in the applicable Client's Governing Documents:

#### *General Investment Risks*

*Possibility of Losses.* Lucha Capital's investment program is speculative. The value of the Client's investments will fluctuate based upon a multitude of factors, including the financial condition, results of operations, and prospects of the issuers of the underlying securities acquired by the Clients', governmental intervention, market conditions, and local, regional, national, and global economic conditions. Therefore, Clients may lose all or a portion of their principal invested if Lucha Capital's investment strategies are not successful.

*Not a Complete Investment Program.* If Lucha Capital's strategy is not successful, or if Lucha Capital is unable to implement the strategy effectively, Clients could lose some or all of their capital. Lucha Capital is not required to adhere to the investment strategy as described in this brochure, but may, in its discretion, change strategies. For these reasons an investment with Lucha Capital may be deemed speculative and is appropriate only for sophisticated and experienced investors who are able to bear the risk of loss of their entire investments.

*Market Conditions and Disruptions; Interconnected Markets.* Developments and disruptions in financial and securities markets generally, including aspects and attributes such as interest rates, the availability of credit, the liquidity of particular types of investments, as well as changes in general economic conditions, including unemployment and inflation, can significantly affect the prospects of the companies in which the



Clients invest, Lucha Capital's ability to assess those prospects, and its ability to adapt its portfolio and market exposures. For example, in 2007 and 2008, a global "credit crisis" caused rapid and violent swings in all markets. In the summer and early fall of 2011 global economic disruptions caused additional dramatic swings in securities prices. In 2012 and 2015, developments in Europe caused significant price swings. And the first month of 2016 saw historic levels of price volatility and declines across international markets, in addition to illiquidity in the high yield debt markets. Other types of disruptions could emerge, including as a result of political or economic developments outside the markets in which the Clients mainly invest, that have similar, or even more dramatic, effects on the markets in which the Clients invest. Market disruptions could cause the Clients to incur major losses, particularly if they cause historical pricing relationships to become materially distorted or previously liquid positions to become illiquid. Market disruptions can result in otherwise historically low-risk strategies performing with unexpected volatility and risk.

*Counterparty and Custody Risk.* Lucha Capital must place most of Clients' assets in the custody of institutions, such as brokerage firms and banks, which may hold those on the books of depositaries and other intermediaries in the institutions' own name (*i.e.*, in "street name"). The Clients are subject to the risk that these firms, as well as other brokers, counterparties, clearinghouses or exchanges with which Lucha Capital deals, may default on their obligations to the Clients. Any such default could result in material losses to the Clients. Bankruptcy or fraud at one of these institutions could also impair the Clients' operational capabilities or capital position. Securities and other assets the Clients deposit with custodians or brokers may not be clearly identified as being the Clients' assets, causing the Client to be exposed to credit risk with regard to those custodians or brokers. The Client generally will only be an unsecured creditor of its trading counterparties in the event of bankruptcy or administration of those counterparties and in some jurisdictions the same may be true of the Clients' relationship to its brokers. The Client attempts to limit its brokerage and custody transactions to well capitalized and established banks and brokerage firms in an effort to mitigate these risks, but the collapse in 2008 of the seemingly well-capitalized and established Bear Stearns and Lehman Brothers demonstrates that there are limits to the effectiveness of this approach in avoiding counterparty losses.

*Governmental Intervention in Markets.* Since 2008, financial crises and market disruptions have led to extensive new governmental intervention in financial markets and the structure and operation of financial institutions. Many governmental interventions have been unclear in scope and application and have included apparent inconsistencies, at times causing losses for market participants who assumed either no intervention or intervention consistent with past precedent, contributing to confusion and uncertainty as to important market forces, and in some cases contributing, at least temporarily, to illiquidity in some markets. In particular, in the United States, the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act ("*Dodd-Frank*") substantially altered the regulation of many markets, market participants, and financial instruments. Many of its provisions require rulemaking by various governmental agencies before they become fully effective and, as of this brochure's date, some required implementing rules that have not been adopted or become effective. Some of those rules, when adopted, may have significant effects on various financial market participants' costs of investing and providing services and on the availability and costs of certain types of investments and services. European and other non-U.S. governmental entities have enacted and are still implementing their own regulations in response to the "credit crisis" and other market disruptions.

It is impossible to predict what additional interim or permanent governmental restrictions or other actions may be imposed on financial markets, particularly if new disruptions occur, and it is impossible to predict the effect those restrictions or other actions may have on Lucha Capital's strategies or the Clients' portfolio when implemented. Those effects could create or exacerbate market disruptions and further expose Clients to risks of the kinds described above.

### *Risks Arising from Broad Discretion and Dependence on Lucha Capital*

Subject to the terms of the Governing Documents, Lucha Capital has exclusive and unrestricted discretion to invest the Clients' assets. The following describes some of the risks that arise from relying on an investment adviser with such broad discretion and on Lucha Capital in particular.

*Investment Selection; Subjective Judgment.* Lucha Capital will select investments based on its analysis and subjective assessment of a wide variety of factors that it considers, from time to time, relevant to the prospects of those investments. Failures of that analysis or those assessments, for particular investments or for strategic direction and construction of the Clients' portfolio as a whole, may cause Clients to incur losses or to miss profit opportunities. Areas in which Lucha Capital's skill and potentially subjective judgment may be particularly important include the following:

*Market Judgment.* Lucha Capital's personnel will apply judgment as to overall market conditions and directions as a core part of implementing the Clients' strategy at any particular time. The greater the role such judgment plays during any particular period, the more unpredictable and inconsistent a trading strategy is typically expected to be.

*Fundamental Analysis.* Fundamental analysis, based on the theory that market prices do not always incorporate all knowable economic and other relevant data, is subject to the risk of inaccurate or incomplete market information, as well as faulty analysis of known information. In addition to the risk of shortcomings in analysis, investments made based upon fundamental analysis are subject to significant losses when market sentiment leads to material discounting of market prices from the prices indicated by fundamental analysis (as in the case of "flights to quality" when the demand for certain risky investment instruments plummets) or when technical factors, such as price momentum encouraged by trend following, dominate the market.

*Risk Management.* Lucha Capital actively causes the Clients to take risks, directly exposing it to potential loss under a wide variety of market conditions. It attempts to identify, measure, and monitor risks associated with the investment activities and may choose to hedge or otherwise mitigate risks it identifies. However, Lucha Capital may fail to identify or anticipate a wide variety of risks that may adversely affect the Clients or the hedging or other risk mitigation techniques may not have the desired effect, potentially exposing it to material losses.

*Technical Analysis.* Lucha Capital may incorporate elements of technical analysis —analysis of historical and current market data — into its investment decision making. Technical analysis is subject to the risk that unexpected fundamental factors or other factors that were not present during the periods from which historical data were generated on which decisions are based may arise and become dominant, at least for a time. Among other things, an influx of new participants in a particular market, structural changes in the markets, the introduction of new financial products, and other developments could materially adversely affect the validity of inferences from historical data and thus the profitability of investments based on technical analysis.

*Reliance on Lucha Capital.* The Clients success depends on the ability of Lucha Capital and, particularly, Marcelo Desio, to develop and implement investment strategies to achieve its investment objectives. The Clients' performance could be materially and adversely affected if Mr. Desio were to die, become ill or disabled, or otherwise cease to be involved in the active management of its portfolio.

*Limited Operating History.* Lucha Capital was recently formed and has a limited operating history. Further, because, among other things, market conditions and investment approaches are continually changing, prior investment performance of Lucha Capital's key personnel does not necessarily indicate the Clients' prospects for profitability. Past results do not necessarily predict future performance. Lucha Capital cannot give any assurance that Clients will achieve profits or will not incur substantial losses.

*Changes in Investment Strategy.* Lucha Capital has broad discretion to expand, contract, or otherwise change investment activities without Client notice or consent. Thus Lucha Capital's strategies may be altered without prior approval by, or notice to, the Clients if Lucha Capital believes the change is in the Client's best interests. Any such change could result in the exposure of the Clients capital to additional risks, which may be substantial.

*Investment Concentration.* Lucha Capital does not limit the amount of capital it may commit to any single investment, industry, or sector. While Lucha Capital generally attempts to spread Client capital among a number of investments, at times the Client may hold a relatively small number of positions, each representing a relatively large portion of the its capital. The Client may at times have a relatively large portion of its capital exposed to a particular industry or market sector. Losses in one or more large positions, or a downturn in an industry or market sector in which the Client is concentrated, could materially adversely affect the Clients' performance in a particular period and could have a materially adverse effect on its overall financial condition.

*Conflicts of Interest.* In managing the Clients' portfolio, Lucha Capital faces conflicts between its interests and the Clients'. These can arise from the nature of the Clients' activities and common business practices (e.g., relationships with brokerage firms and other service providers) or from Lucha's other activities, such as managing other accounts and engaging in personal and proprietary investing and trading activities.

*Information Sources.* Lucha Capital relies heavily on the accuracy and completeness of information on which it bases investment decisions, but as to much of that information it is not in a position to confirm that completeness or accuracy: critical, and apparently reliable, information may be inaccurate or incomplete. Reliance on erroneous or incomplete information could cause Lucha Capital to make investments that lead to losses in the Clients' portfolio or to refrain from making investments that would have resulted in gains.

#### *Risks Arising from Particular Activities or Types of Securities*

All investing and trading activities risk the loss of capital. While Lucha Capital attempts to moderate these risks, there can be no assurance that Clients will not suffer losses. The following discussion sets forth some of the more significant risks to which the Clients' portfolio will, or may, be subject.

*Small Capitalization Stocks.* The Client may invest its assets (either directly or through derivative such as options) in stocks of companies with relatively small market capitalizations. While Lucha Capital believes these stocks can provide significant potential for appreciation, they can involve higher risks than investments in stocks of larger companies. For example, prices of small-capitalization and even some medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. In addition, thin trading in some small-capitalization stocks may make investments in those stocks less liquid.

*Timing of Gains and Losses; Volatility.* The Client may need to hold some of its positions for significant periods before their success or failure becomes apparent or any gains can be realized. It may take longer for successful positions to realize their potential than for unsuccessful ones to reveal their weaknesses.

Market prices of portfolio positions may be expected to fluctuate significantly over the Clients' holding periods, causing its performance to be volatile over the short term.

*Portfolio Leverage.* Leverage in the Clients' portfolio could increase both the possibilities for profit and the risk of loss. If the Client were to borrow to leverage its investments (*i.e.*, margin borrowing), that borrowing would probably be secured by the Clients' securities and other assets. Margin borrowings typically allow the lender to demand an increase in the collateral that secures the Clients' obligations, and if the Client were unable to provide additional collateral, the lender could liquidate the collateral to satisfy its obligations. Forced liquidation could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

*Short Selling.* The Client may sell securities short as a regular part of its investing activities. In a short sale, the Client sells securities it does not own, in the expectation that the market price will decline and the Lucha Capital will be able to buy replacement securities later at a lower price. To accomplish this, the Lucha Capital borrows the securities from a broker or other third party. It "closes" the position by "returning" the security (buying a replacement security on the lender's behalf). This "return" obligation does not typically have a specified "maturity" date and the lender generally may require replacement of the securities whenever it chooses. A short sale theoretically involves the risk of unlimited loss; the price at which Lucha Capital must buy "replacement" securities could increase without limit. The Clients may experience losses on short positions that are not offset by gains on long positions.

As collateral for its return obligation, Lucha Capital must leave the proceeds of its short sales with the lender—generally a prime broker. Ordinarily all the Clients' assets held by a prime broker will serve as collateral not only for the Clients' short sale return obligation, but also for any other credit the prime broker extends and any other obligations the Client owes the prime broker. If the amount of the Clients' return obligation were to increase significantly due to increases in a short-sold security's price, or if the value of collateral were to decrease, the Client could be required to deliver additional cash or other collateral to the relevant prime broker. But, if substantially all the Clients' assets were already serving as collateral, it is unlikely that Lucha Capital would be able to meet such a demand, and the prime broker would likely cause the Client to "buy-in" or "close" some or all of its short positions. Such a "buy-in" could well be at a time and on terms that are adverse to the Clients. Less dramatically, market-driven increases in short-sale-related liabilities and reductions in collateral value could also reduce the Clients' ability to effect transactions or distribute cash to fund Client or investor withdrawals. Lenders such as the prime brokers have great discretion in their decisions regarding adequacy of collateral, and the Clients' short-selling activities, and actions that depend on availability of assets not being relied on for collateral (*e.g.*, distributing cash) could be curtailed, potentially significantly and without notice.

*Hedging.* Lucha Capital may employ hedging strategies to the extent it considers appropriate in light of current circumstances and portfolio composition. It may do so using short positions in one instrument to hedge long positions in another instrument, and vice versa. Hedging strategies in general are intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. Hedges are often imperfectly inversely correlated with the underlying exposure the Client seeks to hedge and, to the extent that is the case, can subject the Client to additional risk, if prices involved in the hedging position move against the Client. Other risks that may be involved in hedging include: (i) possible illiquidity in the market for closing out a hedging position; (ii) interest rate, spread, or other broad market movements unanticipated by Lucha Capital; (iii) the Clients' obligations to meet margin or other payment requirements; (iv) a counterparty's default or refusal to perform; and (v) impact that required segregation of the Clients' assets to cover hedge-related obligations may have on portfolio management or its ability to meet short term obligations. The Client will not attempt to hedge all market or other risks inherent in its positions and will hedge certain risks, if at all, only partially.

The Clients' portfolio composition may result in various directional market risks remaining unhedged. In addition, Lucha Capital may trigger events of default or termination events under various counterparty agreements due to, among other things, reductions in net asset value of Clients' portfolio. If the Client is unable to obtain waivers from the relevant counterparties, such counterparties could exercise numerous remedies under the affected agreements, including liquidation of posted collateral and termination of outstanding trades.

*Risk of Derivatives, Generally.* The Client may trade and invest in a variety of derivative instruments. Derivatives are financial instruments or arrangements, the risk and return of which are related to changes in reference rates, indices, or the value of securities or other assets. They can provide a form of "leverage" in that they permit the Client to speculate on fluctuations in the reference rates, indices, or prices of securities or other assets while investing only a small percentage of the value of those assets. Trading and investing in derivatives can be highly speculative and can entail risks that are greater than the risks of investing directly in securities or other assets. Prices of equity derivatives are generally more volatile than indices, rates, or asset prices on which they are based. A change in the rates or indices or a change in the market price of assets underlying a derivative will cause a much greater relative change in the price of the derivative. The Clients' ability to profit or avoid risk through trading or investing in derivatives will depend largely on Lucha Capital's ability to anticipate changes in the underlying reference rates, indices, or asset prices.

*Options.* Among the derivatives in which the Client may invest or trade are options on specific securities and options on securities indices. The Client may buy or sell (write) both call options and put options, and it may do so on a "covered" or an "uncovered" basis. The Clients' options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position), a form of leverage in which the Client has the right to benefit from price movements in a large number of securities or other assets with a small commitment of capital, or an attempt to obtain profits through premiums received on options the Client writes. These activities involve risks that may be substantial. In general, the fundamental risks involved in options trading can be described as follows. For the most part, these descriptions do not take into account other positions or transactions the Client may enter into. Combinations of options positions, or combinations of options positions with positions in stocks or other securities, can mitigate or can increase the risks inherent in each component option position.

When Lucha Capital *buys* a call option, it will pay a premium for the right to *buy* a security at a specified exercise price through a specified expiration date. If, at the expiration date, the market price of the underlying security is equal to or lower than the exercise price, the option will expire worthless and the Client will lose its entire investment in the option (the premium plus commissions). When the Client buys a put option, it will pay a premium for the right to *sell* a security at a specified exercise price through a specified expiration date. If at expiration the market price of the underlying security is equal to or higher than the exercise price, the option will expire worthless and the Client will lose its investment.

When Lucha Capital *sells* (writes) an option, the risk can be substantially greater than when it buys one. When it sells a call option, it will receive a premium and grant the option's buyer the right to buy the underlying security from the Client at a specified exercise price. If the market price of the underlying security does not increase above the exercise price, the premium the Client receives will represent a profit. However, if the market price does increase above the exercise price, the Client will lose the amount of the difference (less the premium it received when it sold the option). This risk is theoretically unlimited (similar to the risk of selling a security short) in that the price of the underlying security could theoretically increase without limit. When Lucha Capital sells a put option, and grants the holder the right to force the Client to buy the underlying security at the exercise price, it will bear the risk of a decline in the price of the underlying security below the exercise price. Thus, if the underlying security were to become valueless, the

Client theoretically could lose an amount equal to the entire aggregate exercise price of the option (minus the premium the Client received when it sold the put). The Client can limit its risks in writing options by writing them on a “covered” basis—*e.g.*, owning securities of the same class and in the same amount as the securities underlying a call option it writes, or having a short position in the securities underlying a put option it writes. Although covering reduces the risks of selling options, as with all hedging strategies, it can involve transaction costs and may inherently limit the potential for profit from the option position.

*Debt Securities.* Lucha Capital may invest in debt or other fixed income securities. These securities are generally bonds or other debt instruments issuers use as a means of borrowing money. The issuer generally pays the investor a fixed, variable or floating rate of interest and, at the maturity of the instrument, must repay the amount borrowed. Some debt securities (*e.g.*, zero coupon bonds) do not pay current interest, but are sold at a discount to their face values. Debt securities have varying levels of sensitivity to changes in interest rates and varying degrees of credit quality. Assuming other factors remain constant (*e.g.*, the credit worthiness of the issuer), bond values generally rise (increase in value) when interest rates fall and fall (decrease in value) when interest rates rise. Debt instruments, particularly non-investment grade instruments, may be less liquid than equities.

*Non-Investment Grade/Low Quality Instruments/Distressed Debt.* Lucha Capital may invest in non-investment grade debt securities and similar obligations and instruments. Non-investment grade securities are debt securities that are unrated or are rated below investment grade (for example, below BBB by Standard & Poor’s Rating Group or Baa by Moody’s Investors Service, Inc.) by a nationally recognized statistical rating organization in the United States or other statistical rating organizations. Investing and trading in debt instruments are subject to various risks, including issuer risk, credit risk, market risk, interest rate risk, prepayment risk, derivatives risk, and liquidity risk, as well as the risk of improper valuation. Many of these risks are greater as to non-investment grade debt instruments than they are as to higher quality instruments. Trading and investing in non-investment grade instruments can be highly speculative.

Non-investment grade instruments may be issued by issuers that are highly leveraged, of questionable credit strength, or financially distressed. As compared with issuers of higher quality securities, there is a greater risk that issuers of non-investment grade securities will default on their payments of interest and principal because, among other reasons, those issuers are more vulnerable to real or perceived changes in general economic conditions, adverse industry developments, and interest rate fluctuations. Accordingly, the market values of non-investment grade debt may be more volatile than the values of investment grade instruments and, during periods of economic uncertainty and change, the market price of the Clients’ investments may decrease significantly. Non-investment grade instruments also may be less liquid than investment grade instruments because the market for them may be less broad or less active. The lack of a liquid secondary market may have an adverse effect on the market price and the Clients’ ability to sell particular securities.

Analyses of the creditworthiness of issuers of non-investment grade debt may be more complex than for issuers of investment grade instruments. Credit quality of non-investment grade issuers can change suddenly and unexpectedly, and even recently issued credit ratings may not fully reflect the actual risks posed by a particular non-investment grade instrument. The Clients’ success in achieving its investment objective may depend more heavily on Lucha Capital’s analyses of debtors’ creditworthiness than would be the case if it invested exclusively in investment grade securities.

*Interest Rate Risk.* The value of the debt securities (and related investments) in the Clients’ portfolio may fluctuate with changes in interest rates. When interest rates rise, prices of debt securities generally fall, and when interest rates fall, debt securities generally increase in price. Usually the prices of debt securities that must be repaid over longer time periods fluctuate more than the prices of shorter-term debt securities.

*Default Risk; Credit Risk.* The Clients' performance could be adversely affected if issuers of debt instruments in which the Client has an interest (or as to which it has entered into credit related derivatives contracts) default on those instruments (either through payment default or other events that constitute a default as defined in the relevant agreements) or if events occur that reduce the creditworthiness of those issuers. If a bond or other debt instrument were to become subject to such an event, the value of the instrument could be significantly reduced, conceivably to zero.

*Convertible Securities, Rights and Warrants.* Lucha Capital may invest in hybrid securities that may be exchanged for, converted into, or exercised to acquire a predetermined number of shares of an issuer's common stock at the holder's option during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights, and warrants). Convertible securities generally pay interest or dividends and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher and the security is senior to common stock. Convertible debt securities purchased by the Client that are acquired for their equity characteristics are not subject to minimum rating requirements.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The credit standing of the issuer and other factors may also affect the investment value of a convertible security. If the conversion value is low relative to the investment value, the convertible security's price is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the convertible security's price is increasingly influenced by its conversion value.

Convertible securities may also include warrants, often publicly traded, that give a holder the right to purchase at any time during a specified period a predetermined number of shares of common stock at a fixed price but that do not pay a fixed dividend. Their value depends primarily on the relationship of the exercise price to the current and anticipated price of the underlying securities.

*Futures Activities.* Lucha Capital may cause the Client to engage in trades involving futures, commodities, and/or commodity interests (e.g., futures contracts on commodities, securities indices, or currencies). As with some other derivatives, futures trading can provide a form of leverage, allowing the Clients to participate in market price fluctuations of securities indices or commodity interests underlying futures (or options on futures), while only investing a small percentage of the value of those underlying securities indices or commodity interests. Trading in futures is highly speculative and may entail risks that are greater than investing in securities, including: increased volatility relative to other securities; increased exposure resulting from the leverage aspects of futures trading; and the potential illiquidity of futures positions.

The Clients' futures and options activities may include futures and options traded in non-U.S. markets. The risks of these activities may be greater than those of trading in futures and options on U.S. exchanges. For example, foreign futures and options are cleared on and subject to the rules of a foreign board of trade. Neither the CFTC nor the National Futures Association ("NFA") regulates activities of any foreign board of trade, including transaction execution, delivery, and clearing. Moreover, these agencies have no enforcement authority over foreign boards of trade. In addition, funds provided for foreign futures and options may not be provided the same protections as funds received in respect of U.S. transactions.

Lucha expects that, if the Client invests in futures or other commodity interests, it will do so without registering as either a "commodity pool operator" or a "commodity trading adviser."

*Counterparty and Settlement Risk.* Lucha Capital may enter into over-the-counter (“OTC”) derivative contracts or transactions (i.e., transactions in options or other derivatives that are not cleared through the facilities of an exchange or clearing organization such as the Options Clearing Corporation). These may include security-based swaps, swaps, contracts for differences, forward contracts, and other OTC derivative arrangements involving or relating to, among other things, specific securities (including total return swaps), interest rates (including caps and floors), or currencies. A swap transaction or contract for differences is an individually negotiated, non-standardized agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different rates or prices with payments generally calculated by reference to a principal (“notional”) amount or quantity. Swap contracts, contracts for differences, currency forward contracts, and other OTC derivatives are not traded on exchanges; rather banks and dealers act as principals in these markets. As a result, the Clients will be subject to the risk that a counterparty is unable or refuses to perform. OTC derivatives may also expose the Clients to additional liquidity risks.

*Limited Liquidity of Some Investments.* The Clients may invest in securities that, while they are publicly traded, are relatively illiquid. That may be because a security is thinly traded or because the Clients’ position in a security is large in relation to the overall market for the security. The Client may own securities that are relatively liquid when acquired but that become illiquid after the Client invests. The Client may not be able to liquidate illiquid securities positions if the need were to arise; rapid sales of such securities could depress the market value of those securities, reducing the Clients’ profits, or increasing its losses, in the positions. In limited circumstances, Lucha Capital may cause the Clients to acquire a security position that is not immediately saleable in the public markets. This might occur if the position were so small that Lucha Capital believes valuation issues will not have a material impact on the Clients. The value assigned to illiquid securities (including thinly traded securities) and large blocks of securities for purposes of determining net profit and net loss may differ from the value the Clients is ultimately able to realize on those securities.

## **Item 9: Disciplinary Information**

There are no material legal or disciplinary events related to the Firm.

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

### **Items 10.A. and 10.B.**

Lucha Capital and its management is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.

Lucha Capital and its management is not registered, and does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **Item 10.C.**

Not applicable. Except as otherwise disclosed in this Brochure, neither Lucha Capital nor any of its management persons has a relationship or arrangement that is material to its advisory business or to its Clients with any related person.



#### **Item 10.D.**

Not applicable. Lucha Capital does not recommend other investment advisers to its Clients.

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

Lucha Capital has adopted a written Code of Ethics (the “**Code**”) predicated on the principle that Lucha Capital owes a fiduciary duty to its Clients. The Code is designed to address and avoid potential conflicts of interest, and is applicable to all officers, directors, investors, partners or employees of Lucha Capital (collectively, the “**Access Persons**”). Lucha Capital requires Access Persons to act in Clients’ best interests, abide by all applicable regulations, and avoid any action that is, or could even appear to be, legally or ethically improper.

The Code generally prohibits transactions in most publicly traded equity securities including new issues (IPOs). In addition, transactions in private placements or limited offerings require pre-approval from the Chief Compliance Officer. The Code requires periodic reporting of Access Persons’ personal securities transactions and all holdings; places other restrictions on Access Persons’ personal trading; and requires prompt internal reporting of Code violations. Lucha Capital endeavors to maintain current and accurate records of all personal securities accounts of its Access Persons in an effort to monitor all such activity. A copy of Lucha Capital’s Code is available upon written request.

Certain transactions in which Lucha Capital engages may require, for either business or legal requirements that no Access Person trade in the subject securities for specified time periods. Such securities will appear on a list (the “**Restricted List**”) that will be circulated to all Access Persons. No Access Person may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior written approval from the Chief Compliance Officer.

### **Item 12: Brokerage Practices**

#### **Item 12.A.**

Lucha Capital has discretion in deciding what brokers, dealers, and other financial intermediaries and counterparties to use for portfolio transactions (collectively, “**Transacting Parties**”). It also has discretion to negotiate compensation arrangements and transaction terms with Transacting Parties, including not only commissions for transactions effected on any agency basis, but also markups, markdowns, and other compensation implicit in prices of transactions effected directly with Transacting Parties acting as principal. Clients may incur substantial brokerage commissions and other transaction expenses.

In choosing Transacting Parties for a Client, Lucha Capital is not required to consider any particular criteria. It generally seeks “best execution” of the Clients’ transactions and considers a range of factors which may include: historical net prices (after markups, markdowns, and other transaction-related compensation); Transacting Parties’ execution, clearance, and settlement and error correction capabilities generally and in connection with instruments of the type and in the amounts to be bought or sold; their willingness to commit capital; their reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the instrument in question; and the nature, quantity, and quality of research and other services and products the Transacting Party provides. A Client may at times pay more than the lowest transaction cost available in order to obtain services and products other than the execution of securities transactions.

### **Item 12.A.1.**

Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”) provides a “safe harbor” to advisers who use “soft dollars,” *i.e.*, commissions generated by their advised accounts, to obtain investment research and brokerage services from brokers that provide lawful and appropriate assistance to the manager in connection with the investment decision-making process. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Lucha Capital intends to use soft dollars only to acquire services and products that constitute “research” and “brokerage” within the meaning of Section 28(e).

Research and brokerage services obtained by the use of commissions arising from the Client’s portfolio transactions may be used by Lucha Capital in its other investment activities. A Client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided in consideration of the “soft dollar” service generated by the trading of the Client itself. Lucha Capital is specifically authorized to direct brokerage to firms that provide such services.

Lucha Capital need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Commission rates are generally negotiable, and selecting brokers on the basis of considerations that are not limited to commission rates may result in higher transaction costs than would otherwise be obtainable. Brokers may provide research and brokerage services directly or by paying service providers engaged by Lucha Capital. In addition, Lucha Capital may, subject to its best execution policy, trade with certain brokers primarily in consideration for providing research services. In any such case, Lucha Capital will determine in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research products or services provided by the broker.

Lucha Capital may, but is not obligated to, enter into arrangements under which certain direct expenses of the Fund are paid with “soft dollars.” Lucha Capital will enter into such arrangements in situations in which Lucha Capital believes that such arrangements are administratively or operationally more expedient and more favorable to the Fund than arrangements under which the Fund pays for the products or services in question with cash. However, such arrangements make it more difficult for Investors to evaluate the cost structure of the Fund because the costs of such products or services are not broken out separately.

In addition to any “soft dollar” arrangements that Lucha Capital enters into with brokers, brokers may provide certain research or other products or services to all of their customers, including Lucha Capital, without being requested to do so. Similarly, brokers may refer investors to Lucha Capital. Lucha Capital may take advantage of the products or services provided rather than producing or paying for them from another provider. Similarly, Lucha Capital may accept investor referrals from brokers in appropriate circumstances. In these situations Lucha Capital receives a benefit because it does not have to pay for the products or services, such as research, or because it will receive additional compensation if the Fund accepts new investments.

In Lucha Capital’s last fiscal year, the Firm used soft dollars to pay for research and brokerage-related services, such as reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software and services; quotation services; computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing Transacting Parties, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions.

**Item 12.A.2.**

Not applicable. Lucha Capital does not participate in selecting or recommending broker-dealers in exchange for client referrals.

**Item 12.A.3.**

Not applicable. Lucha Capital does not permit its clients to provide a directed brokerage instruction and does not recommend, request or require clients to execute transactions through specified broker-dealers.

**Item 12.B.**

When Lucha Capital must execute a transaction on behalf of more than one Client account, it is Lucha Capital's policy to aggregate trades whenever possible to achieve equal pricing across the client accounts and to reduce transaction costs. Lucha Capital may choose not to aggregate trades in avoidance of a perceived or actual conflict of interest, provided that Clients are treated fairly and equitably over time.

**Item 13: Review of Accounts**

Lucha Capital performs various daily, monthly and quarterly reviews of the Clients' portfolios. These reviews will be conducted by Marcelo Desio, Partner, Chief Investment Officer and Portfolio Manager at Lucha Capital, and certain other professionals of the firm. Lucha Capital provides to its Clients and investors written quarterly statements reflecting the status of their investments.

**Item 14: Client Referrals and Other Compensation**

Lucha Capital does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.

Currently, Lucha Capital does not utilize any solicitor or placement agents for client and investor referrals. In the future, Lucha Capital may enter into agreements with persons who refer potential investors or clients to Lucha Capital. For their referral services, these persons may receive compensation from Lucha Capital in the form of a percentage of the management fee and/or performance-based fee or allocation that Lucha Capital and its affiliates receive from the clients with respect to the referred investors. All solicitation arrangements that Lucha Capital may enter into will be in compliance with Rule 206(4)-3 under the Advisers Act. The Firm's Clients and Investors are not responsible for any fees paid to the referring persons.

**Item 15: Custody**

Lucha Capital does not have custody of Sub-Advisory Clients' assets. Such clients receive statements directly from the qualified custodians on a quarterly basis. Clients are encouraged to carefully review custodian statements and compare the information with reports provided by Lucha Capital and other service providers. Information in reports provided by Lucha Capital to Sub-Advisory Clients may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Lucha Capital is deemed, under Rule 206(4)-2 under the Advisers Act, to have custody of the assets of the Fund. The Fund's securities and funds are maintained with a qualified custodian. Investors of the Fund

receive monthly statements from the Fund's administrator, and Fund audited financial statements within 120 days following the end of the Fund's fiscal year. Audited financial statements are prepared by an independent accounting firm which is registered and subject to inspection by the Public Company Accounting Oversight Board.

## **Item 16: Investment Discretion**

Lucha Capital exercises discretion in managing the Clients' investments based on the investment objectives, policies, and strategies disclosed in the applicable Governing Documents. Lucha Capital contractually assumes discretionary authority over the assets of the Fund under an investment management agreement entered into between Lucha Capital and the Fund.

Lucha Capital generally will manage client accounts and make investment decisions without consultation with Clients as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities**

Lucha Capital's authority generally includes proxy voting on behalf of the Clients. When Lucha Capital accepts such responsibility, it will cast proxy votes in a manner consistent with the best interests of its clients and in accordance with its policies and procedures. If Lucha Capital identifies conflicts of interest when voting proxy, Lucha will document the conflicts and take steps to resolve them. In resolving a conflict, Lucha Capital may decide to take one of the following courses of action: (1) determine that the conflict or potential conflict is not material, (2) request that disclosure be made to clients for whom proxies will be voted to disclose the conflict of interest and the recommended proxy vote and to obtain consent from such clients, (3) engage an independent third-party or fiduciary to determine how the proxies should be voted, (4) abstain from voting or (5) take another course of action that, in the opinion of the Chief Compliance Officer, adequately addresses the potential for conflict.

Clients may contact Lucha Capital to request information about how Lucha Capital voted proxies for that Client's securities or to obtain a copy of Lucha Capital's proxy voting policies and procedures.

## **Item 18: Financial Information**

### **Item 18.A.**

Lucha Capital does not require or solicit prepayment of more than \$1,200, six months or more in advance.

### **Item 18.B.**

Lucha Capital does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.

### **Item 18.C.**

Lucha Capital has not been the subject of a bankruptcy petition at any time during the past ten years.