

## ITEM 1. COVER PAGE



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This Brochure provides information about the qualifications and business practices of Mutima Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at 212-967-1222. 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.

Mutima Capital Management LLC is an Investment Advisor registered with the SEC. Registration of an Investment Advisor does not imply any level of skill or training. Additional information about Mutima Capital Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2. MATERIAL CHANGES**

Form ADV Part 2 requires registered investment advisors to amend their brochure when information becomes materially inaccurate. If there are any material changes to an advisor's disclosure brochure, the advisor is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment filed on March 16, 2018, we have no material changes to report.

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#### **ITEM 4. ADVISORY BUSINESS**

Mutima Capital Management LLC (“MCM” or the “Advisor”), a Delaware limited liability company, is an investment Advisor with its Advisor place of business in New York, New York. MCM commenced operations as an Investment Advisor in January 2011 and registered with the SEC in July 2016 as an Investment Advisor. Timothy Sebuya is the Managing Member and owner of the Advisor. MCM provides investment advisory services on a discretionary basis to the Mutima Africa Fund LP (“Fund”) and Separately Managed Accounts (“SMA” or “SMAs”). MCM seeks to generate attractive risk-adjusted returns primarily through concentrated investments in equity securities selected from a broad array of public companies that are based in, or that have the majority of its operations on the African continent (excluding the Middle Eastern countries). The Advisor’s primary investment methodology is value-oriented and opportunistic, employing fundamental research and analysis to identify investments that are undervalued (or, in the case of short positions, overvalued) by the marketplace, and to identify proper entry and exit points. MCM bases its advice on the investment objectives and restrictions (if any) of its clients set forth in the applicable offering memorandum, organizational documents, limited partnership agreement, investment management agreement, and/or subscription agreements. MCM does not participate in wrap fee programs. As of February 28, 2019, MCM had regulatory assets under management of \$92,745,509 all of which are managed on a discretionary basis.

#### **ITEM 5. FEES AND COMPENSATION**

**Management Fee:** For the Fund, the Advisor is paid an investment management fee equal to 1.5% per annum of the net assets of the Fund. Investment management fees are charged each quarter in advance based on the client’s net asset value (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the first day of the quarter. If a new investor account is established during a quarter or an investor makes an addition to its account during a quarter the investment management fee will be charged as of the effective date of the subscription or the date of the additional contribution and will be prorated for the number of months remaining in the quarter. For SMAs, the Advisor generally receives asset-based management fees comparable to those paid by the Fund; however, fee structures are subject to negotiation and may vary from those paid by the Fund. In certain limited circumstances, the Management Fee may be negotiable. The Advisor may waive or modify its investment management fees in its discretion. Investment management fees are deducted and paid to the Advisor from the assets of the Fund or the SMAs.

Fund and SMA accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of an account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Investors in the Fund are subject to a 5% early withdrawal fee, payable to the Fund, on any withdrawal made during the investor’s first year in the Fund.

### Operational Expenses of the Fund

In addition to the management and incentive fees payable to MCM, the investors in the Fund will bear the costs and expenses related to Fund's investments, operations and administration, including, without limitation: (i) interest expenses, (ii) other transactional charges, (iii) expenses relating to cash management, (iv) legal, compliance, audit, accounting, tax and custodial fees and expenses and (vi) fees and expenses of the Fund administrator.

### Other Fees for Separately Managed Accounts

MCM provides investment advisory services to institutional and other clients through SMAs. SMAs typically bear certain expenses in addition to investment advisory fees, including custodial fees and brokerage costs. MCM receives no payment or remuneration from clients with respect to such expenses (except as described in Item 12-*Brokerage Practices*), and any such charges, fees and commissions are exclusive of and in addition to MCM's advisory fees. No portion of such charges, fees or commissions shall be applied as an offset to reduce the amount of advisory fees owed by a client to MCM. In addition, when client assets are invested in a mutual fund or in an Exchange-Traded Fund ("ETF"), the client indirectly bears a prorated share of operating expenses incurred by the mutual fund or the ETF, including without limitation, brokerage fees and transaction costs, trade correction costs, transfer agency fees and custodial expenses. These expenses are described in greater detail in the prospectus and/or SAI for the relevant mutual fund or ETF. Please refer to Item 12 – *Brokerage Practices* for further information.

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

**Incentive Allocation or Fee:** In addition to the management fees described in response to Item 5, the Advisor and or its Affiliates may be paid performance-based compensation, for the Fund or for qualified SMA clients. Performance based compensation is based on a share of the realized or unrealized net profits or capital appreciation of the assets of a client. The performance-based compensation for the Fund is 20% of net profits and is subject to loss carry forward provisions, which may reduce such percentage to 10% until certain loss recovery thresholds are met. SMAs for qualified clients may also be charged a performance fee equal to that charged by the Fund.

The management fee and incentive allocation are negotiable in that the Advisor or the General Partner reserves the right to waive, reduce or calculate differently such fees for Investors that are members, partners, affiliates, employees of MCM, members of the immediate families of such persons, SMAs or for certain large or strategic Investors.

The performance-based allocation creates an incentive for MCM to make investments that are riskier or more speculative than would be the case absent a performance-based allocation arrangement.

The performance-based allocation or fee may create an incentive for MCM to make

investments on behalf of the clients paying such performance-based allocation that are riskier or more speculative than would otherwise be the case. Furthermore, differences in MCM's compensation arrangements with its clients could create incentives for MCM to manage clients so as to favor those clients paying the performance-based compensation. Notwithstanding these conflicts, MCM will allocate transactions and opportunities among the various clients it manages in a manner it believes to be as equitable as possible, considering each client's objectives, programs, limitations and capital available for investment.

Investors and prospective investors should refer to the offering documents of the Fund for further information on performance based fees.

The foregoing responses to Items 5 and 6 represent MCM's basic compensation arrangements. The management fees and performance-based allocations described above are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although MCM believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

## **ITEM 7. TYPES OF CLIENTS**

The Advisor has as clients the Fund and SMAs. Through the management of the SMAs, MCM generally will provide investment advisory services to high net worth individuals, pension and profit sharing plans, endowments, foundations, trusts, estates, charitable organizations and corporations. MCM will generally require a minimum Fund investment of \$1 million, but may waive this minimum account requirement in certain instances. SMAs are individually negotiated and generally subject to significant account minimums.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### Method of Analysis

While consideration will be given to general macroeconomic conditions, the Advisor will employ a "bottom-up" stock-selection approach based on research-intensive, in-depth fundamental analysis. The research process will typically include, but will not be limited to, extensive "on the ground" research; review of public filings, press releases and meeting transcripts; evaluating market sentiment; identifying investment catalysts; assessing industry-specific risks and opportunities; and conferring with management, industry participants, industry consultants and other third parties. The Advisor believes it has access to valuable insights from relationships developed with public and private investment firms, past colleagues, industry experts, consultants and others, which are typically not available to investors lacking MCM's history and network.

### Investment Strategy

The Fund is designed to generate attractive risk-adjusted returns primarily through

concentrated investments in equity securities selected from a broad array of public companies that are based in, or that have the majority of its operations on, the African continent (excluding the Middle Eastern countries). The Advisor anticipates that the Fund portfolio will consist primarily of exchange-traded equities; however, the Fund is authorized to invest in a broad variety of Africa-related securities. The Advisor's primary investment methodology is value-oriented and opportunistic, employing fundamental research and analysis to identify investments that are undervalued (or, in the case of short positions, overvalued) by the marketplace, and to identify proper entry and exit points. The Fund is authorized to invest in securities of companies in any one or more industries and sectors, which may vary from time to time in the discretion of the Advisor, taking into consideration market conditions and other factors deemed relevant. The Fund's portfolio will generally include both long positions in securities of companies which, in the Advisor's view, have outstanding investment characteristics, and short positions in securities of companies with characteristics indicating, in the Advisor's view, fundamental problems. The Advisor will endeavor to limit risk through extensive pre-investment due diligence, price discipline, limitations on leverage and other policies.

SMA accounts, subject to each client's investment objectives, generally will mirror the investments of the Fund.

#### Risk of loss

Overall Investment Risk. An investment in the Fund and SMAs is inherently one of high risk. Investors in the Fund and SMAs must be in a position to risk the loss of all or substantially all of their investment. As with any investment approach or strategy, the Advisor's investment approach, strategy and methodology cannot assure any given level of investment return or that the Fund and SMA's investment objective will in fact be realized. Any past successes with the methodology cannot assure future results. There can be no assurance that use of the methodology will necessarily result in profitability or that the Fund and SMAs will not incur losses.

#### General Risks

Limited Operating History. The Fund commenced investment activities in May 2011, and therefore, currently has a limited operating history upon which basis potential investors may evaluate its future performance. Any past history of investment performance of the Fund or other portfolios managed by the Advisor should not be construed as indicative of the future results of the Fund and SMAs. In general, past performance is no assurance of future results.

Dependence upon Portfolio Manager. The success of the Fund and the SMAs will critically depend upon the efforts of the Advisor's Portfolio Manager, Mr. Sebunya. In the event that he ceases to be responsible for Fund and SMA investments for any reason, and although other personnel may be available to the Advisor, the operations of the Fund and SMAs could be adversely affected. The Advisor's Portfolio Manager considers the conduct of the Fund and the SMAs to be a priority matter and currently intends to devote substantially all

of his business time to the management of the portfolios. Mr. Sebunya may have some business responsibilities in addition to those of managing the Fund and SMAs.

**Dependence upon Individual Judgment and Skill.** Although the Advisor intends to use a variety of methodologies, predominantly fundamental analysis, in its investment decision-making, the ultimate selection of investments for the Fund and SMA portfolios may be expected to involve, to a considerable degree, subjective factors and judgment on the part of the Advisor. Accordingly, success of the Fund or SMA will be dependent to a large extent on the investment skills and judgment of MCM's investment personnel.

**Market and Economic Conditions.** Extraordinary circumstances in prior periods have significantly disrupted the U.S. and global financial markets. In prior periods, securities markets experienced a tightening in the worldwide credit markets and a significant loss in value, posing possible systemic risks and resulting in extraordinary governmental actions, extreme price volatility, limited liquidity, and a potential for overall collapse. Many countries are currently experiencing recession conditions in their economies. A variety of U.S. legislation in the last several years contain numerous provisions intended to provide a stimulus to the American economy with additional legislation currently under consideration by the U.S. Congress. There is no assurance whether any such legislation will prove effective. Accordingly, such economic and market conditions may recur and continue for an indeterminate period of time.

Patterns of price movements in the current markets may result in corresponding volatility in the Fund and SMAs' returns and their level of capital. Security positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair the Fund and SMAs' ability to fully realize portfolio gains or limit losses. The institutions, including brokerage firms and banks, with which the Fund and SMAs will do business, or to which securities have been entrusted for custodial purposes (including sub-custodians in foreign countries), may encounter financial difficulties that would impair the operational capabilities or the capital position of the Fund and SMAs. The Fund and SMAs' portfolio positions may undergo significant short-term declines and experience considerable price volatility. An investment in the Fund and SMAs should only be considered by investors prepared to experience possible short-term volatility and fluctuations in value in the interest of seeking long-term capital appreciation. No assurance can be given that the Fund and SMAs will achieve their investment objective or that the Fund and SMA's investment strategy will prove to be successful.

#### Risks Relating to Investment Strategy

There are a number of general risks relating to the investment strategy of the Fund and SMAs, including the following:

**African Market Risk.** Because the Fund and SMAs will invest their assets in companies based in, or having the majority of their business operations in, Africa, and/or African governments (excluding the Middle Eastern countries), either directly or through intermediary vehicles (such as Exchange Traded Funds, or ETFs), they will be highly



dependent on the state of the African economies and the financial prospects of specific African companies. Certain African markets are in only the earliest stages of development with less liquidity, fewer securities brokers, fewer issuers and more capital market restrictions compared to developed markets. Investment in the securities of African issuers may increase the volatility of the Fund and SMA's net asset value. Investment in securities of African issuers involves risks not typically associated with investments in securities of issuers in developed countries. Such heightened risks include, among others, expropriation and/or nationalization of assets, confiscatory taxation, political instability, including authoritarian and/or military involvement in governmental decision-making, armed conflict, the impact on the economy as a result of civil war, and social instability as a result of religious, ethnic and/or socioeconomic unrest and, in certain countries, genocidal warfare.

Certain countries in Africa may be heavily dependent upon international trade and, consequently, have been and may continue to be negatively affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These countries also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. Certain countries in Africa depend to a significant extent upon exports of primary commodities such as gold, silver, copper and diamonds. These countries are, therefore, vulnerable to changes in commodity prices, which may be affected by a variety of factors. In addition, certain issuers located in countries in Africa in which the Fund and SMAs may invest may operate in, or have dealings with, countries subject to sanctions and/or embargoes imposed by the U.S. government and the United Nations and/or countries identified by the U.S. government as state sponsors of terrorism. As a result, an issuer may sustain damage to its reputation if it is identified as an issuer which operates in, or has dealings with, such countries.

Because securities markets of countries in Africa are underdeveloped and are less correlated to global economic cycles than those markets located in more developed countries, securities markets in Africa are subject to greater risks associated with market volatility, lower market capitalization, lower trading volume, illiquidity, inflation, greater price fluctuations and uncertainty regarding the existence of trading markets. Moreover, trading on securities markets may be suspended altogether. Market volatility may also be heightened by the actions of a small number of investors. Brokerage firms in certain countries in Africa may be fewer in number and less established than brokerage firms in more developed markets. Since the Fund and SMAs may need to effect securities transactions through these brokerage firms, the Fund and SMAs will be subject to the risk that these brokerage firms will not be able to fulfill their obligations to the Fund and SMAs. This risk is magnified to the extent the Fund and SMAs effect securities transactions through a single brokerage firm or a small number of brokerage firms. Issuers located or operating in countries in Africa are not subject to the same rules and regulations as issuers located or operating in more developed countries. Therefore, there may be less financial and other information publicly available with regard to issuers located or operating in countries in Africa and such issuers are not subject to the uniform accounting, auditing and financial reporting standards applicable to issuers located or operating in more developed

countries.

**Emerging Market Risk Generally.** African emerging market countries may have relatively unstable governments, weaker economies, and less-developed legal systems with fewer security holder rights. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid. The Fund and SMAs may invest all or a substantial portion of their assets in countries with newly organized or less developed securities markets. There are typically greater risks involved in investing in emerging markets securities. Generally, economic structures in these countries are less diverse and mature than those in developed countries and their political systems tend to be less stable. Investments in emerging markets countries may be affected by government policies that restrict foreign investment in certain issuers or industries. The potentially smaller size of their securities markets and lower trading volumes can make investments relatively illiquid and potentially more volatile than investments in developed countries, and such securities may be subject to abrupt and severe price declines. Due to this relative lack of liquidity, the Fund and SMAs may have to accept a lower price or may not be able to sell a portfolio security at all. An inability to sell a portfolio position can adversely affect the Fund and SMAs' asset value or prevent the Fund and SMAs from being able to meet cash obligations or take advantage of other investment opportunities.

**Political/Economic Risk.** Changes in an African country's economic and tax policies, high inflation rates, government instability, war or other political or economic actions or factors may have an adverse effect on the Fund and SMAs' investments. In addition, governments of certain countries in Africa in which the Fund and SMAs may invest may levy withholding or other taxes on income such as dividends, interest and realized capital gains. Although in certain countries in Africa a portion of these taxes are recoverable, the non-recovered portion of foreign withholding taxes will reduce the income received from investments in such countries. Investment in countries in Africa may be subject to a greater degree of risk associated with governmental approval in connection with the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, there is the risk that if an African country's balance of payments declines, such African country may impose temporary restrictions on foreign capital remittances. Consequently, the Fund and SMAs could be adversely affected by delays in, or a refusal to grant, required governmental approval for repatriation of capital, as well as by the application to the Fund and SMAs of any restrictions on investments. Additionally, investments in countries in Africa may require the Fund and SMAs to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the Fund and SMAs. Securities laws in many countries in Africa are relatively new and unsettled and, consequently, there is a risk of rapid and unpredictable change in laws regarding foreign investment, securities regulation, title to securities and shareholder rights. Accordingly, new or amended laws and regulations may adversely affect foreign investors. In addition, there may be no single centralized securities exchange on which securities are traded in certain countries in Africa and the systems of corporate governance to which issuers located in countries in Africa are subject may be less advanced than that to which issuers located in more developed countries are subject, and therefore,

shareholders of issuers located in such countries may not receive many of the protections available to shareholders of issuers located in more developed countries. In circumstances where adequate laws and shareholder rights exist, it may not be possible to obtain swift and equitable enforcement of the law. In addition, the enforcement of systems of taxation at federal, regional and local levels in countries in Africa may be inconsistent and subject to sudden change. A significant number of African countries do not have western-style or fully democratic governments. Often, the governments are authoritarian in nature and influenced by security forces. For example, certain governments may have been installed or removed as a result of military coups. Disparities of wealth, ethnic, religious and racial disaffection, among other factors, have also led to social unrest in certain African countries accompanied, in certain cases, by violence and labor unrest. The Fund and SMAs' portfolios will be subject to a broad variety of political and economic concerns, including uncertainties arising from authoritarian governments or military involvement in political and economic decision-making, including changes in government through extra-constitutional means, political or diplomatic developments, popular unrest associated with demands for improved political, economic and social conditions, internal insurgencies, hostile relations with neighboring countries and ethnic, religious and racial disaffection, social and religious instability, changes in governmental policies, high rates of inflation, economic dependency on commodity pricing and free trade, infrastructure limitations, shortages of qualified workers, taxation and interest rates and developments in law or regulations, in particular the risk of, and possible change in, legislation relating to the level of foreign ownership in African country companies. Natural or manmade catastrophes may have a more magnified effect on the economy of an African country. An African country may have less institutional safeguards to protect against civil disorders or commotions, tribal or civil wars, acts of aggression or terrorism, strikes, material shortages or acts of God. Some African countries may be affected by a greater degree of public corruption and crime, including organized crime.

Currency Risk. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Fund and SMAs' investments denominated in a foreign currency or may increase existing losses. Exchange rate movements are volatile and it is not possible to effectively hedge the currency risks of many developing countries. Currency market risk results from the price movement of foreign currency values in response to shifting market supply and demand. Interest rate risk arises whenever a country changes its stated interest rate target associated with its currency. Country risk arises because virtually every country has interfered with international transactions in its currency. Interference has taken the form of regulation of the local exchange market, restrictions on foreign investment by residents or limits on inflows of investment funds from abroad. Restrictions on the exchange market or on international transactions are intended to affect the level or movement of the exchange rate. This risk could include the country re-issuing a new currency, effectively making the "old" currency worthless.

Non-Recoverable Foreign Tax Withholding; Foreign Taxation. Certain foreign governments in countries in which the Fund and SMAs may invest may levy withholding or other taxes on dividend, interest or other income at high or confiscatory rates or have

other forms of confiscatory taxation. Although in some countries a portion of these taxes are recoverable, the non-recovered portion of foreign withholding taxes or other taxes will reduce the income received from investments in such countries. In addition, the enforcement systems of taxation at federal, regional and local levels in African countries may be inconsistent and subject to sudden change.

**African Country Licensing, Custody and Settlement Risk.** Approval of governmental authorities may be required prior to investing in the securities of companies based in certain African countries. Delays in obtaining such an approval would delay investments in the particular country. The Fund and SMAs may maintain their foreign securities and cash in the custody of certain Advisor-designated non-U.S. banks and securities depositories. Certain banks in foreign countries that are foreign sub-custodians may be recently organized or otherwise lack extensive operating experience. In addition, in certain countries there may be legal restrictions or limitations on the ability of the Fund and SMAs to recover assets held in custody by a foreign sub-custodian in the event of the bankruptcy of the sub-custodian. Settlement and safekeeping systems in African countries may be less well organized than in emerging markets or developed markets. Records of ownership may have insufficient safeguards against destruction or alteration. Beneficial or record ownership may be challenged by the companies in which the Fund and SMAs invests or by governmental authorities. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Fund and SMAs may be in jeopardy because of failures of or defects in the systems. Under the laws of certain countries in which the Fund and SMAs may invest, the Fund and SMAs may be required to release local shares before receiving cash payment or may be required to make cash payment prior to receiving local shares.

**Capitalizations and Other Investment Criteria.** Although the Fund and SMAs portfolios may consist of securities with varying market capitalizations, the Advisor currently expects that a major portion of the portfolios will consist of small to mid-capitalization securities, particularly by developed market standards. Securities of companies with small and middle market capitalizations are generally regarded as more speculative, involving higher levels of investment risk and price volatility, as compared to securities of larger, more mature companies. Such companies are subject to a broad variety of risks inherent to small- and mid-capitalization companies, including market acceptance of the product or service, the need for capital and other resources, the existence of larger and stronger competitors and the rapidity of product change and obsolescence.

Although the Advisor's investment approach will be driven in part by fundamental analysis, it will not necessarily impose fixed requirements as to levels of revenues or earnings, cash flow, market capitalization or other fundamentals applicable to all investments. Accordingly, it is possible, if not likely, that many, if not most, investments of the Fund and SMAs could occur in issuers of higher levels of investment risk. Given the nature of the Funds' investment approach, investors in the Fund and SMAs must be prepared to assume the risks inherent in such investments.

**Portfolio Concentration.** Since investment concentration is a component of the Advisor's investment strategy, the Fund and SMAs' portfolios during many, if not most, times will

be significantly concentrated in a number of key respects. Investments of the Fund and SMAs will be confined to a single geographic region, namely, continental Africa (excluding the Middle Eastern countries). Some of the economies and financial markets in Africa can be significantly interdependent and investments in such geographic region may all decline at the same time. Moreover, investments in a single country, industry or sector within Africa will not be subject to any fixed limitations. As a consequence, the Fund and SMAs may invest in a relatively limited number of issuers, some or many of which operate in the same country, industry and/or economic sector. Appreciation or depreciation in positions following their purchase may further increase, perhaps significantly, issuer concentration. Concentration is generally viewed as increasing, perhaps significantly, country, issuer and/or industry risk, as the case may be, relative to a broadly diversified portfolio. Accordingly, the Fund and SMAs portfolios may, at times, be exposed to significant region, issuer, sector, and/or industry risk in particular areas in which the portfolios may be concentrated and may increase the magnitude of investment losses in such areas.

**Investments with Limited Liquidity.** The markets for some of the companies to be invested in by the Fund and SMAs, such as small- and mid-capitalization companies, by their nature, are generally characterized by less liquidity than those of larger capitalization companies. Although the Advisor will take liquidity considerations (such as trading volume) into account in its investment analysis, there will be no minimum market capitalization or “public float” requirement applicable to all investments. Accordingly, the Fund and SMAs may take positions in particular securities that are relatively large as compared to current trading volume or overall market capitalization. Other portfolio positions may involve securities that are lightly traded or otherwise have markets of limited liquidity. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair to some extent the Fund and SMAs ability to fully realize portfolio gains or limit losses. The Fund and SMAs may also invest in securities for which there is no ready market, such as a private or restricted security, provided that such investments do not exceed 10% of the Fund and SMAs asset values (determined at time of investment).

#### Risks Relating to Investment Techniques

There are a number of significant risks inherent in the Fund and SMAs’ investment techniques. Such risks include the following:

**Leverage; Interest Rates.** The Advisor may borrow funds opportunistically and on a limited basis, subject to regulatory limitations, on behalf of the Fund and SMA in order to increase investment positions or to make additional investments. Risk of loss and the magnitude of possible gains are both generally increased by the use of leverage. Fluctuations in the market value of the Fund and SMAs’ portfolios will have a greater effect relative to the Fund and SMA s’ capital than would be the case in the absence of leverage. Adverse market fluctuations, in the case of margin borrowings, may require the untimely liquidation of one or more investment positions. The amount of borrowing that the Fund and SMAs may have outstanding at any time may be large in relationship to its capital. Interest costs of borrowings will be an expense of the Fund and SMAs and therefore both borrowing levels

and fluctuations in interest rates may affect the operating results of the Fund and SMAs.

**Short Selling.** Short selling may be utilized (i) in situations where the Advisor believes, on the basis of its fundamental analysis, that the securities in question are overvalued, and therefore likely to experience significant price declines, over time, or (ii) as a hedge or offset to related long positions or the portfolio as a whole. Short selling inherently involves certain additional risks. Selling securities short creates the risk of losing an amount greater than the initial investment and the theoretically unlimited risk of an increase in the market price of the securities sold short. Short selling can also involve significant borrowing and other costs which can reduce the profit or create losses in particular positions. Short selling may be unavailable or substantially restricted in one or more markets in which the Fund and SMAs may invest.

**Options.** Although it is not anticipated that options transactions will be a substantial focus, the Fund and SMAs may utilize options in furtherance of its investment strategy for both investment and hedging purposes. Options positions may include long positions, where the Fund and SMAs are the holder of put or call options, as well as short positions, where the Fund and SMAs are the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a relatively higher level of risk. The writing (selling) of uncovered options involves a theoretically unlimited risk of a price increase or decline, as the case may be, in the underlying security. The expiration of unexercised long option positions effectively results in loss of the entire cost or premium paid for the option. Option premium costs, as well as the cost of covering options written by the Fund and SMAs, can reduce or eliminate position profits or create losses as well.

**Hedging Strategies.** The Advisor may, but will not be required to, employ a number of hedging strategies as part of its risk control program. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments. For a variety of reasons, however, the Advisor may not seek or be able to establish a sufficiently accurate correlation between hedging instruments and the portfolio holding or holdings sought to be hedged. Such imperfect correlation may prevent the Fund and SMAs from achieving the intended hedge and expose the Fund and SMAs to risk of loss. For example, the Fund and SMAs' long and short positions may not be correlated in a manner that significantly protects against loss on one side of the portfolio. In addition, there may be risks which are not identified, and therefore unhedged, or there may be risks where an efficient hedging strategy is unavailable. It will not be an objective for the Fund and SMAs to be hedged significantly at all times. In some markets in which the Fund and SMAs may invest, appropriate hedging instruments may be limited or entirely unavailable. It should be assumed, therefore, that the Fund and SMAs' portfolios may still be exposed to significant risks, notwithstanding any intended hedging strategies.

The Advisor monitors the portfolio's risk profile on a regular basis.

## **ITEM 9. DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to MCM's investment advisory business or the integrity of MCM's management.

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

Mutima Investors LLC, serves as the sole general partner to Mutima Africa Fund LP, (the "General Partner"), a Delaware limited partnership. The General Partner is responsible for the management and control of the Partnership. MCM serves as investment adviser ("Advisor") to the Fund, in which certain qualified prospective investors are solicited to invest.

The managing member of the General Partner and the Advisor is Mr. Timothy Sebunya (the "Principal"), who is the Fund's portfolio manager and the individual ultimately responsible for managing the assets of the Partnership.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### Code of Ethics

MCM has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. MCM demands that all employees conduct themselves in a manner consistent with the highest ethical and legal standards. The Code of Ethics contains policies and procedures relating to: (a) standards of conduct including outside business activities; (b) personal trading; (c) insider trading prevention; and (d) gifts and entertainment. Employees must affirmatively agree to abide by the terms of the Code of Ethics.

### Standard of Conduct

MCM standards of conduct are designed to ensure that its clients, investors, employees and MCM itself are protected from unethical and unprofessional conduct. MCM has policies to, among other things:

- Govern outside business activities of employees
- Govern employee service as an officer, director, or partner in any other entity
- Monitor employee ownership interests in any non-publicly traded company or other private investments
- Protect confidential information
- Facilitate compliance with federal and state securities statutes

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting John Lesnik at (212) 967-1222.

### Participation or Interest in Client Transactions

As noted above, we serve as the investment advisor to Mutima Africa Fund LP (the "Fund"), a private pooled investment vehicle in which you may be solicited to invest. Persons associated with our firm may have significant investments in the Fund. If you are an investor in the Fund, please refer to the Fund's offering documents for detailed disclosures regarding the Fund.

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to the Fund and the SMAs. Where conflicts of interest arise between the Fund and SMAs managed by a portfolio manager, we will proceed in a manner that ensures that the Fund or the SMAs will not be treated more or less favorably. There may be instances where similar portfolio transactions may be executed for the same security for numerous accounts managed by the portfolio manager. In such instances, securities will be allocated in accordance with the Advisor's trade allocation policy.

### Personal Trading

Employees are permitted to have personal securities accounts as long as personal investing practices are consistent with fiduciary standards and regulatory requirements, and do not conflict with their duty to MCM and its clients. MCM generally prohibits employees from engaging in discretionary personal trading in securities for which the Fund and the SMAs are authorized to invest in. This includes: equity securities from public companies that are based in, or that have the majority of its operations on, the African continent (excluding the Middle Eastern countries). MCM monitors and controls personal trading through:

- Pre-approval for sales of securities of pre-existing securities in which the Fund and SMAs are authorized to invest in
- Receipt and review of personal trading accounts on a monthly basis

## **ITEM 12. BROKERAGE PRACTICES**

### Selection of Brokers and Dealers

The Fund and separately managed account's securities transactions generate brokerage commissions and other compensation, all of which the Fund and/or separately managed account(s), not MCM, will be obligated to pay. MCM requires that clients provide the Advisor with written authority to determine the broker-dealer to use and the commission costs that will be charged to its clients for these transactions. Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to MCM in writing.

MCM utilizes a number of broker-dealers to affect transactions for the Fund and/or SMAs. Such broker-dealers are selected based upon, among other things, the commissions, gross compensation and other transactions costs charged by the broker; the execution capabilities



with respect to the relevant type of order and access to the markets for the securities being traded; the broker-dealer's expertise in particular markets; the reputation, experience, responsiveness and financial stability of the firm; the quality of service; the competitiveness of commission rates and spreads; the familiarity both with investment practices generally and the techniques employed by the Fund and/or SMAs; research and analytic services; and clearing and settlement capabilities. These factors are subject at all times to principles of best execution. In allocating brokerage, the commissions each client will pay to such broker-dealers will not necessarily represent the lowest commission rate available, but will reflect MCM's evaluation of the brokerage-related services supplied by such brokers and which benefit a client, either alone or together with the other clients of MCM.

MCM does not have any soft-dollar arrangements and does not receive any soft dollar benefits.

#### Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### Directed Brokerage

For SMAs, clients may direct MCM to execute securities transactions through a specific broker-dealer. This is referred to as "directed brokerage". Before accepting a directed brokerage arrangement from a client, MCM will ensure the client's instructions are clear and unambiguous.

If a client chooses to direct MCM to use a particular broker, the client should understand that this might prevent MCM from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on the client's behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, a client should consider whether the commission expenses, execution, clearance, and settlement capabilities that obtained through a directed broker arrangement are adequately favorable in comparison to those that MCM would otherwise obtain for you.

#### Error Account

In the event that an error occurs for which MCM should take responsibility, the Advisor will calculate the loss and make the Fund and the SMAs whole by either crediting the account or deducting the amount from the monthly management fee. The CCO will prepare a document explaining the cause of the error, listing the parties involved and the resolution.

### Allocation/Block Trades/Rotation

Generally, MCM will aggregate ("block trade") orders with respect to a security if such aggregation is consistent with achieving best execution for the various client accounts. MCM is not obligated to block trade all orders. When orders are aggregated, each participating account will receive the weighted average share price for all transactions in a particular security effected to fill such orders on a given business day. Transaction costs will be shared pro rata based upon each account's participation in the transaction, subject to the discretion of the portfolio manager and depending on factual or market conditions and the duty to achieve best execution for client accounts.

Our policy on trade allocation requires that trade orders be allocated and block traded in a fair and equitable manner. In the majority of cases, trade orders are allocated on a pro rata basis, subject to some exceptions, including that specific allocations may be made: (1) in order to adjust or maintain the overall ratios of specific securities held by the Fund or an SMA; (2) based upon an account's existing positions in securities; (3) the cash availability of one or more particular accounts; (4) an account's allocation may be eliminated, reduced or increased because of investment policies and restrictions, account guideline limitations or investment objectives; and (5) for tax reasons.

### **ITEM 13. REVIEW OF ACCOUNTS**

MCM client portfolios are monitored on a regular basis by the MCM research team. All client reviews are conducted by a member of the MCM research team at least annually. Written reports are sent to clients quarterly and may consist of account positions, transactions, investment commentary, and performance computations. Unaudited statements are sent to Fund investors monthly. SMA investors receive statements directly from their custodians and/or administrators.

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

MCM does not currently compensate any third party for referrals. Please see disclosures under Item 12 regarding economic benefits we may receive from brokerage arrangements.

### **ITEM 15. CUSTODY**

MCM serves as investment adviser to a private investment fund ("the Fund"), Mutima Africa Fund LP, for which an affiliate of MCM's also serves as the general partner. In the capacity as general partner of the Fund, MCM has legal access to the Fund's assets and therefore has custody over such assets. MCM provides each investor in the Fund with audited annual financial statements. The audited financial statements are delivered to investors or their independent representatives within 120 days of the fiscal year end. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, please contact John Lesnik, Chief Compliance Officer, at (212) 967-1222.

The Advisor generally will custody Fund assets with a global custodian. Global custodians generally provide daily reporting on holdings as well as settlement activity to the Advisor. In cases where a global custodian does not provide custody, the Advisor will evaluate alternatives as follows: agency custodians; direct custodial relationship with custodial banks; and direct custody with central depositories. In the latter case, the Advisor may grant limited power of attorney to local brokers to be able to efficiently settle trades and process dividend payments and other cash transactions. In all cases, monthly reporting is made to the Advisor on the Fund's cash, securities, and settlement transactions, or, alternatively, real-time access to this information is available to the Advisor.

For SMAs, in arrangements where permitted and authorized to do so, the Advisor will effect a debit of the account(s) for the payment of advisory fees. This ability to deduct advisory fees from accounts causes MCM to exercise limited custody over SMA funds and securities. MCM does not have physical custody of any of the SMA's funds and/or securities. SMA funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. Clients will receive account statements from the independent, qualified custodian(s) holding the funds and securities at least quarterly. The account statements from the custodian(s) will indicate the amount of the advisory fees deducted from the SMA(s) each billing period. Clients should carefully review account statements for accuracy.

The Advisor reconciles custodial monthly reporting against its own books and records. Custodian statements for the Fund are sent to the third party administrator. The third party administrator prepares monthly financial statements for the Fund and where required issues monthly statements to individual Fund investors. In all cases, Fund investors are provided with monthly statements from the third party administrator.

Fund investors should carefully review and compare all financial statements.

## **ITEM 16. INVESTMENT DISCRETION**

The Advisor provides investment advisory services on a discretionary basis to clients. Prior to assuming full discretion in managing a client's assets, the Advisor enters into an investment management agreement or other agreement that sets forth the scope of the Advisor's discretion.

## **ITEM 17. VOTING CLIENT SECURITIES**

The Advisor has the authority to vote proxies on behalf of the Fund and SMAs. Rule 206(4)-6 under the Advisors Act requires registered investment Advisors that exercise voting authority over client securities to implement proxy voting policies and procedures. In accordance with such rule, the Advisor has adopted proxy voting guidelines. The Advisor's policy is to vote proxy proposals, amendments, consents or resolutions in a manner that it believes serves the best interests of the Fund and SMAs. The Advisor generally votes in accordance with the board of directors' recommendations, unless it has specific information that it determines warrants voting otherwise. Situations involving a

potential conflict of interest between the Advisor and its clients will be reviewed on a case-by-case basis by the CCO and resolved in a manner that is appropriate under the circumstances and within the Advisor's fiduciary duty to its clients. Investors, other than those in separately managed accounts, generally may not direct or otherwise influence the Advisor's vote with respect to any particular proxy solicitation. Investors may obtain copies of MCM's proxy voting policy by contacting the Advisor through the contact information provided on the cover page of this brochure.

## **ITEM 18. FINANCIAL INFORMATION**

MCM does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.