

ADV PART 2A: FIRM BROCHURE



Antarctica Investment Advisors, LLC

712 Fifth Avenue, 24th Floor
New York, New York 10019
(212) 983-1602
www.antarcticacapital.com

March 29, 2019

This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices of Antarctica Investment Advisors, LLC ("Antarctica" or the "Adviser"). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at (212) 983-1602. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Antarctica is a registered investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, such registration does not imply a certain level of skill or training.

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

Item 2 - Material Changes

This brochure dated March 29, 2019 amends our brochure that was last filed on March 31, 2018. We have made the following material changes to the Brochure:

In November 2018, Citizens Parking Inc. was divested as part of a transaction to sell the majority of the assets of the company. As part of this transaction, new management was brought in and Antarctica Investment Advisor's role as asset manager in line with prior practice discontinued.

Antarctica's current and potential investors are encouraged to read this Brochure as well as all of the governing documents applicable to their current or prospective investment in their entirety.

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.....	5
Item 7 - Types of Clients.....	5
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 - Disciplinary Information.....	13
Item 10 - Other Financial Industry Activities and Affiliations.....	13
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12 - Brokerage Practices.....	14
Item 13 - Review of Accounts.....	15
Item 14 - Client Referrals and Other Compensation.....	15
Item 15 - Custody.....	15
Item 16 - Investment Discretion.....	16
Item 17 - Voting Client Securities.....	16
Item 18 - Financial Information.....	17

Item 4 - Advisory Business

Antarctica Capital, LLC (“Antarctica Capital” or “the Firm”), a Delaware limited liability company, is a global alternative investment firm headquartered in New York. Antarctica Capital is dedicated to investments related to real assets, mobility, insurance, and special situations.

Antarctica Capital’s investment approach emphasizes deep knowledge of industry and target asset/company dynamics, conviction around specific trends, and the pursuit of catalyst-driven market opportunities. The Firm’s objective is to offer investors access to transaction opportunities that are either off-market or require a particular set of expertise and relationships not readily available to other alternative investment managers. This often leads Antarctica Capital towards path-breaking investment strategies or overlooked companies and assets that can be enhanced through operational transformation or consolidation strategies. Antarctica Capital has an absolute return focus which leads the Firm to rigorously evaluate and build conviction around idiosyncratic investment opportunities. The Firm’s investment strategies include the SIGA[®], SARO[®] and OMNIH[™].

The Firm’s SIGA[®] strategy originates and optimizes secure income and growth assets for appropriate funding profiles. This strategy is managed by Antarctica Investment Advisors, LLC (“Antarctica” or the “Adviser”), an affiliate of Antarctica Capital. The Adviser is an investment advisory firm with its principal place of business in New York. The Adviser commenced operations in 2014. The Adviser is owned by Antarctica Investors, LLC, a Delaware limited liability company, which is owned by Chandra R. Patel (the “Managing Member”).

Antarctica provides non-discretionary investment advisory services to a private fund as its manager. As of the date of this brochure, Antarctica manages one pooled investment vehicle, 1818 Acquisition, LLC (“SIGA Fund” or the “Fund”). Antarctica provides investment advisory services to the Fund based on the Fund’s specific investment objectives and strategies as set forth in the Fund’s governing documents, including its investment management agreement (the “Fund Documents”). The Fund may have investment restrictions on investing in certain securities or other assets, to the extent that such securities are outside the applicable Fund’s existing investment program. In certain situations, the Adviser is able to tailor its advisory services and investments based on specific Fund objectives and/or investment strategies as agreed to with such Fund’s investors.

As of March 29, 2019, the Adviser had approximately \$2,021,498,000 in client regulatory assets under management on a non-discretionary basis.

Item 5 - Fees and Compensation

All investors and prospective investors should review the Fund Documents in conjunction with this Brochure for more complete information on the fees, compensation and expenses related to the Fund. The below descriptions of fees and expenses are subject in their entirety to the information provided in such Fund Documents and are not negotiable.

Management Fees

An annual management fee (“the Management Fee”) is payable on a quarterly basis to the Adviser or an affiliate. The fee calculations and timing of payments are governed by the Fund Documents. Generally, the Management Fee for SIGA Fund is a percentage per annum of invested capital paid by the investors. Management Fees are billed to the investors of SIGA Fund.

Pursuant to the terms of the applicable Fund Documents, payments of Management Fees in advance will be refunded on a pro rata portion of such fee if the advisory relationship is terminated prior to the end of the

relevant billing period.

Other Expenses

In addition to paying Management Fees and Carried Interest (defined in Item 6 below), the Fund will be subject to other investment expenses, such as expenses incurred in connection with the evaluation, negotiation, due diligence investigation of portfolio investments, whether or not consummated, and any other expenses reasonably related to the purchase, management, administration, custody, sale or transmittal of Fund assets, including any out of pocket costs initially paid by the Adviser. Out of pocket costs are reimbursed up to a predetermined maximum per annum amount. To the extent applicable, the Fund may incur brokerage, pursuit and other transactions costs. Fund investors should review carefully Item 12, which discusses conflicts of interest related to brokerage practices.

Antarctica or certain of its affiliates may have the right to receive certain non-investment advisory fees in connection with the Fund or portfolio companies, as described in the respective Fund Documents. For example, an affiliate of Antarctica may be entitled to receive (i) certain professional services or related fees from a portfolio company in connection with certain transactions; (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company; and (iii) fees for serving on the board of directors of a portfolio company.

At the time of closing, SIGA Fund reimbursed the Adviser for organizational expenses of the portfolio company and the Adviser.

The information contained herein is a summary only and complete disclosures describing fees and expenses are provided to investors in the respective Fund Documents.

Item 6 - Performance-Based Fees

The Fund is subject to a performance fee in the form of distributions of all income, gains and losses derived from the portfolio companies (the “Carried Interest”). Carried Interest is typically allocated to the Adviser or an affiliate pursuant to the Fund Documents based upon a contractual distribution calculation. The Fund Documents of SIGA Fund provide for a preferred rate, or hurdle rate of return, at two threshold levels. Once the hurdle rates of return are met, SIGA Fund entitles the Adviser or an affiliate to Carried Interest.

Such performance-based fees may create an incentive for Antarctica to make investments that are riskier or more speculative than in their absence and make different decisions regarding the timing and manner of realization of such investments.

To mitigate these potential conflicts of interest, Antarctica follows detailed investment and allocation processes designed to ensure that investment opportunities are allocated equitably among the Funds managed by the Advisor without undue consideration for performance-based fees received by the Adviser.

Item 7 - Types of Clients

Antarctica provides portfolio management services to the Fund. The Fund limits respective investors to persons who are both “accredited investors” as defined in the Securities Act of 1933 and “qualified clients” and/or “qualified purchasers” as defined in the Investment Company Act of 1940. Investors are generally institutional and other sophisticated investors. Any initial subscription or commitment minimums for investors are disclosed in the Fund Documents.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy of the Firm

Antarctica Capital's integrated investment and operating teams permit the Firm to take an "owner/operator" approach to its investments. The Firm's active asset management approach means that it remains heavily involved and embedded in shaping the direction and transformation of portfolio companies and assets. Antarctica Capital's holistic investment approach with its emphasis on instilling strong oversight, financial discipline, technology, operational consulting, capital structure, and optimization of management and the workforce, helps to maximize value through the investment lifecycle.

Antarctica Capital's investment focus includes:

- 1) Real Assets - Antarctica Capital targets infrastructure, real estate assets, and operating platforms in those sectors. The focus is upon identifying investment opportunities that offer the potential for value creation through operational transformation or consolidation strategies. The Firm's SIGA® strategy originates and optimizes secure income and growth assets ("SIGA") for appropriate funding profiles.
- 2) Mobility - Antarctica Capital's mobility strategy targets mobility assets and enabling infrastructure that will permit emerging mobility related business models and "mobility as a service" that will be at the heart of smart cities and on-demand transportation services. The Firm's OMNIH™ strategy is transforming transportation related assets through the creation of on-demand mobility network infrastructure hubs ("OMNIH™").
- 3) Insurance - Antarctica Capital's insurance strategy targets insurance liabilities that deliver standalone profitability and can act as permanent capital or longer-term capital for the firm's real asset and other alternative investments. The combination of the Firm's insurance and investment expertise is utilized to ensure the optimal regulatory and rating capital treatment for investment products.
- 4) Special Situations - Antarctica Capital's special situations strategies aim to offer a high return without a commensurate increase in risk through investments that offer downside protection but with the opportunity to unlock upside potential. The primary focus is upon opportunistically identifying investments that are event-driven, structured credit, or combine insurance and structured credit. The Firm's SARO® strategy seeks to enhance asset values through the identification of structural alpha and return optimization ("SARO®"). SARO®'s value creation levers include structural arbitrage, capital optimization, maturity transformation, collateral transformation, credit transformation, liquidity transformation and regulatory optimization.

Antarctica Capital has a rigorous investment process and the Antarctica Capital team brings in-depth expertise to each key element of the investment process: origination and selection of opportunities, investment and execution, and active asset management. This process is reflected in RIMUS™ (risk, investment management, and underwriting system), the Firm's formal investment management process and system.

Investment Strategy of Antarctica Investment Advisors, LLC

Antarctica provides non-discretionary investment advisory services to the Fund. Investment objectives and/or parameters are set forth in the Fund Documents provided to each investor. The specific investment strategy and corresponding method of analysis for the Fund is specified in the Fund Documents. The investment professionals are responsible for evaluating potential investments and active monitoring and involvement with existing investments. Certain Fund investments are subject to approval by the Fund's investors.

The Adviser currently manages one Fund with investments concentrated in the United States. The SIGA Fund is centered on acquiring a platform of secure income and growth assets that are primarily fee interests in parking properties.

Material Risks

Investing in any Fund involves significant risks, including the risk of loss of some or all of an investment. Prospective investors in a Fund should speak with their legal, tax, and financial advisors prior to making an investment in a Fund. The following summary identifies the material risks related to the Adviser's principal investment strategies and should be carefully evaluated before making an investment in a Fund. This summary does not intend to identify all possible risks of investing in the Fund or provide a full description of the identified risks. Please refer to the Fund Documents for additional and specific risk disclosures applicable to such Fund.

RISKS RELATING TO INVESTMENTS IN REAL ESTATE-RELATED OPERATING PLATFORMS

Investing in Real Estate Exposes the Fund to a High Degree of Risk

Real estate investments historically have been subject to price volatility and a substantial number of other risks, many of which are outside the control of Antarctica. For example, revenues relating to or derived from the Fund's investments may be adversely affected by, among other things: economic conditions; the number and sophistication of participants in the real estate markets; competition from buyers for, and sellers of, other platforms similar to those in which the Fund intends to invest; interest rates and the availability, cost and terms of financing; the impact of legislation; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); and adverse changes in zoning laws. In the event that any of the Fund's investments experience, or become subject to, any of the foregoing factors, the value of and return on such investments could be negatively impacted.

No assurance can be given that the Fund will be successful in satisfying the Fund's rate of return objective or that such investments will perform as expected. The Fund and its real estate operating platforms will be engaged in a competitive business.

The Fund is Subject to Risks Associated with the Economic Environment

From time to time, there have been significant disruptions in the credit markets on which the Adviser may rely for financing the Fund's investments. The ability of the Fund to achieve its targeted rate of return and equity multiple will be dependent, at least in part, upon the Fund's ability to access capital at rates and on terms the Adviser determines to be acceptable. If the Fund's ability to access capital becomes significantly constrained, the Fund's financial condition and future investments may be significantly adversely affected.

The Fund's Investments will be Illiquid

Real asset investments are generally illiquid. The liquidity investments may be further constrained because of the restrictions of the agreements governing the operating platforms. Illiquidity may result from the absence of an established market and/or from legal or contractual restrictions. There can be no assurance that the fair market value of any investment held by the Fund will not decrease in the future. The ability to exit an investment will depend on market conditions. The possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

The Fund's Investments are Subject to Government Regulation

The investment fund and real estate industries are extensively regulated and subject to frequent regulatory

change. The adoption of new legislation and regulations, changes in existing laws, or new interpretations of existing laws can have a significant impact on methods of doing business, the costs of doing business, and the success of the real estate enterprises.

The Fund will Make Investments through Operating Platforms of Various Types (e.g., partnerships or joint ventures)

Such investments may involve risks not present in direct real estate investments. For example, the possibility that a partner of the Fund might become bankrupt, or may, at any time have economic or business interests or goals that are inconsistent or conflict with those of the Fund's. Furthermore, if such partner defaults on its funding obligations, it may be difficult for the Fund to make up the shortfall from other sources. The Fund may be required to make additional contributions to replace such shortfall. Any default by such partner could have an extremely deleterious effect on the Fund's assets and the investors. In addition, the Fund may be liable for the actions of its partners. While the Adviser will attempt to limit the liability of the Fund by reviewing the qualifications of and previous experience of partners, it does not expect to obtain financial information from prospective partners.

The Fund's Investments May be Few in Number

The Fund's investment strategy contemplates an investment portfolio focused on the acquisition (via the Fund's operating platform) of real estate assets which, in light of investment considerations, market risks and other factors, the Adviser believes will provide the best opportunity for attractive risk-adjusted returns in the value of the Fund's assets. Certain Fund's investments may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the Fund's portfolio is subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

The Fund Invests in Parking Platforms

Natural disasters such as, earthquakes, floods and hurricanes, can have a material impact to the parking business, provided that the facilities are located in the affected areas. Acts of terrorism and or vandalism can have a negative impact on the business operations. Adverse economic conditions in North America (e.g., high inflation, high unemployment, recession etc.), adverse trends in local markets (e.g., increasing congestion, development of parking facilities for other uses), and/or changes in consumer behavior (e.g., fewer vehicles per household, preference for ride sharing services over personal car ownership/usage, new modes of transportation like autonomous vehicles) can have a significant impact on performance. The retail industry can sway the number of cars visiting urban centers. Hospitality occupancy levels and residential oriented developments are additional factors. Increasing labor and other operating costs driven by minimum wage increases or higher ancillary costs, can put a significant burden on the performance of these businesses. Changes in tax rules and levels (e.g., local parking taxes and related resident exemptions) can have a material impact on the business. In addition, increasing levels of tolls and different forms of congestion pricing can impact the business negatively.

Parking is a competitive landscape and the actions and funding of national and local competitors can have a material impact on performance. The customers of the parking platforms include many real estate owners with exposure to the general trends of the real estate industry. Changes in interest rates and leverage can introduce risks to these counterparties with potential negative impact on the parking business. The parking platforms employs a large workforce with workers in many different states. Changes in the labor laws and the relevant local employment markets can have a material impact on the business. Increasing levels of damages incurred by the company in their facilities, (e.g., driven by more expensive cars or errors by staff) can have a material impact on the business performance. Because most parking facilities are open to the public, accidents can occur for which the parking platforms may be liable.

Due Diligence Process

The Adviser conducts due diligence before committing a Fund's capital to any particular investment. The objective of the due diligence process is to identify attractive investment opportunities based upon the facts and circumstances surrounding an investment. When conducting due diligence, the Adviser expects to evaluate a number of important issues in determining whether or not to proceed with an investment. These issues will vary depending on the kind of investment opportunity presented, but may include business, financial, tax, accounting, environmental, management, operational, commercial and legal issues. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment of an investment, the Adviser will be required to rely on resources available, including information provided by the target investment and, in some circumstances, third-party investigations. The due diligence process may at times be subjective with respect to newly organized funds or companies for which only limited information is available. In light of the foregoing, there can be no assurance that the due diligence investigations undertaken by the Adviser will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment opportunity. There can also be no assurance that such an investigation will result in an investment performing to the Fund's objectives as set forth in the Fund Documents.

Dependence Upon Professionals

The success of the Fund is significantly dependent upon the expertise of the professionals of the Adviser. Any future unavailability of their services could have an adverse impact on Fund's performance. The senior principals of the Adviser will devote as much of their time to the activities of the Fund as they deem necessary and appropriate. The Adviser, its senior principals and their respective affiliates are (subject to legal and fiduciary obligations) not restricted from forming other funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the existing Fund and/or may involve substantial time and resources of the Adviser or its senior principals. The time and effort of the Adviser and its senior principals, officers and employees will not be devoted exclusively to the business of any one fund but will be allocated among all of the funds. In addition, there is no assurance that as the Adviser's assets under management increase, the number of investment professionals and the degree of infrastructure support available to manage those assets will increase accordingly.

If certain senior principals should cease to participate in the Adviser's activities, Antarctica's ability to select attractive investments and manage the Fund could be severely impaired.

Value of Investments May Not Be Realized

The majority of the Fund's investments are in the form of investments for which market quotations may not be readily available. The valuations of the Fund's investments are generally performed by the Adviser. In some cases, third-party valuation providers may be consulted. Such valuations may be evaluated on the basis of a good faith assessment of the fair value of the assets. There is no single standard for determining fair value in good faith, and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The types of factors that may be considered when applying fair value pricing to an investment in a particular company or assets include historical and projected financial data, valuations given to comparable enterprises, the size and scope of an entity's operations, the strengths and weaknesses of an enterprise, expectations relating to investors' receptivity to an offering of ownership interests in the entity, the relative size of the holding in the investment and the control or lack of control stemming from that size, information with respect to transactions in respect of, or offers for, ownership interests in the entity (including the transaction pursuant to which the investment was made and the

period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realizable value of any collateral or credit support and other relevant factors. Fair values may be established using an Enterprise Value Approach, a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or net asset value) or, in some cases, a cost basis or a discounted cash flow or liquidation analysis. Valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates. Determinations of fair value may differ materially from the values that would have resulted if a liquid market for such investments had existed. Even if market quotations are available for any of the Fund's investments, such quotations may not reflect the value that would actually be realizable owing to various factors, including the possible illiquidity arising from the holding of a majority ownership position by a third party, subsequent illiquidity in the market for an entity's securities or other ownership interests, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall management performance. The value of an interest in the Fund may be adversely affected if the amounts received on realizations of direct or indirect investments are lower than the values previously recorded for them.

The Fund May Experience Fluctuations in Results

As an asset class, private equity has generally exhibited volatility in returns over different periods, and it is likely that this will continue to be the case in the future. Such variability may cause results for a particular period not to be indicative of performance in a future period.

The Fund May Incur Risks Upon Disposition of Investments

In connection with the disposition of an investment, the Fund or its operating platforms may be required to make representations about the investment typical of those made in connection with the sale of any property. Although the Fund will attempt to structure transactions so as to avoid these representations, the Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be incorrect, inaccurate, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the investors. The Fund may have to reserve for such contingencies.

The Fund May Incur Uninsured Losses

The Fund will attempt to maintain customary insurance coverage against liability to third-parties and property damage. However, there can be no assurance that insurance will be available or sufficient to cover the risks associated with the Fund's investment strategy. Insurance against certain risks, such as earthquakes, floods or acts of terrorism, may be unavailable, available in amounts that are less than the full market value or replacement cost of investment properties or subject to large deductibles. In addition, there can be no assurance that the particular risks which are currently insurable will continue to be insurable on an economic basis. All Fund assets may be at risk in the event of an uninsured liability to third-parties.

Difficult and Changing Market, Economic, Tax and Regulatory Conditions

The performance of the Fund's investments may be affected by general economic and market conditions, such as interest rates, changes in tax treatment, availability of credit, regulatory change, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the securities held by the Fund and by underlying portfolio funds. Unexpected volatility or liquidity could impair profitability of portfolio investments or result in losses to the Fund. The Fund's investments may be materially affected by conditions in the global financial markets and economic conditions throughout the world. The global

market and economic climate may deteriorate because of many factors beyond Adviser's control, including rising interest rates or inflation, credit crises, market disruption, terrorism or political uncertainty. In the event of a market downturn, each of the investments held by the Fund could be adversely affected. The Fund's underlying portfolio funds may face reduced opportunities to sell and realize value from their existing investments and there may be a lack of suitable new investments. In addition, economic downturns may make it more difficult for companies to meet their debt service obligations and satisfy financial covenants, either of which could have a material adverse effect on their businesses. An increase in either the general levels of interest rates or in the risk spread demanded by finance providers would make the financing of private equity investments more expensive and could limit the ability of the Fund and underlying portfolio funds to structure and consummate such investments. The Fund may also be adversely affected by certain regulatory events.

The Fund Could Potentially be Subject to Environmental and Other Liabilities

The Fund may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Through its interest in real estate, the Fund may be subject to a wide range of environmental, health and safety laws, ordinances and regulations, including, without limitation, those relating to the investigation, removal, and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liabilities, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard as to whether the owner or operator knew of, or caused, the presence or release of such substances. Environmental liabilities are generally not limited under such laws and could exceed the value of the relevant property and/or the aggregate assets of the responsible party. The presence of such substances, or the failure to properly remediate related contamination, may adversely affect the marketability of the real estate or the value of such property as collateral, which could have an adverse effect on returns on investments. In addition, some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. In addition to clean-up actions brought by governmental agencies and private parties, the presence of hazardous substances on a property may lead to claims of personal injury, property damage or other claims by private plaintiffs.

RISKS ASSOCIATED WITH THE EXPECTED USE OF LEVERAGE BY OPERATING PLATFORMS

The Fund's Operating Platforms May Not be Able to Obtain Leverage. However, the Use of Leverage Exposes Such Operating Platforms to Certain Risks

Although no indebtedness may be incurred at the level of the Fund itself, the Fund's operating platforms and vehicles in which or through which they make their investments may incur indebtedness in connection with their business and/or investment activities. The Fund expects that these entities will utilize leverage with the goal of enhancing the Fund's investment returns. The failure of operating platforms to obtain leverage at the contemplated levels, to obtain leverage on attractive terms, or to obtain leverage at all, could have a material adverse effect on the Fund. Use of leverage subjects the Fund's operating platforms to risks normally associated with debt financing, including the risk that the entity's cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced or the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. An operating platform may incur indebtedness in which recourse is not limited to specific assets of the operating platform and indebtedness that is collateralized by more than one asset of the operating platform.

In addition, an operating platform may incur indebtedness that bears interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase, which would adversely

affect the Fund. Operating platforms may in the future engage in transactions to limit their exposure to rising interest rates as they deem it to be appropriate and cost effective, which transactions could prove to be unsuccessful or expose them to the risk that counterparties to such transactions may not perform and cause the operating platform to lose the anticipated benefits therefrom, which would have the adverse effects associated with increases in market interest rates.

It may be difficult or impossible for an operating platform to obtain financing on terms that the Adviser would otherwise deem favorable. Further, the state of the credit markets may limit the amount of leverage available to an operating platform to finance investments, which may, in turn, have a material adverse effect on the Fund's targeted rate of return. Depending on the extent of the recovery of the credit markets, it may prove difficult to finance or refinance the indebtedness of an operating platform on favorable terms.

The Fund is Subject to the Risks of Holding Leveraged Investments. Leverage Creates an Opportunity for Increased Return on Equity but May Create Risk for the Fund

The Fund's operating platforms will generally leverage assets when there is an expectation that leverage will provide a benefit, such as enhancing returns, although the Fund cannot assure that the use of leverage will prove to be beneficial. Increases in credit spreads in the market generally may adversely affect the market value of the Fund's investments. Moreover, the Fund's operating platforms cannot assure that they will be able to meet debt service obligations in general. To the extent such obligations are not met, there is a risk of loss of some or all of the Fund's investments through foreclosure or a financial loss if the operating platforms are required to liquidate assets, the impact of which could be magnified if such a liquidation is at a commercially inopportune time.

Use of Leverage may Create a Mismatch with the Duration of the Investments that it is Financing

In the event that an operating platform's leverage has a shorter term than a financed investment, the operating platform may not be able to extend or find appropriate replacement leverage and that would have an adverse impact on the operating platform's liquidity and its returns. In the event that an operating platform's leverage is longer term than a financed investment, it may not be able to repay such leverage or replace the financed investment with an optimal substitute, which will negatively impact the its desired leveraged returns.

An operating platform's attempts to mitigate such risks are subject to factors outside of its control, such as the availability of favorable financing and hedging options, which is subject to a variety of factors, of which duration and term matching are only two such factors.

Credit Agreements May Impose Restrictions on the Operation of its Business

An operating platform may make certain representations, warranties and affirmative and negative covenants in credit agreements that may restrict its ability to operate while still utilizing those sources of credit. Such representations, warranties and covenants may include, but are not limited to, restrictions on guarantees, the maintenance of certain financial ratios, including its ratio of debt to equity capital and its debt service coverage ratio, as well as the maintenance of a minimum net worth, restrictions against a change of control and limitations on alternative sources of capital.

MISCELLANEOUS

Litigation

The Adviser anticipates that during the term of the Fund, the Adviser may be named as a defendant in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments may be borne by the Fund.

Possible Future Activities

The Adviser and its affiliates may expand the range of services that it provides over time. Except as provided herein, the Adviser and its affiliates will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein.

Conflicts of Interest

Investors are advised to review the applicable Fund Documents for specific disclosure of the potential conflicts of interest applicable to the Fund. The following briefly summarizes some of these potential conflicts, but is not intended to be an exhaustive list of all such conflicts.

Certain of the Adviser's investment professionals serve or may serve in an investment management capacity to more than one Fund managed by the Adviser or its affiliates now and in the future. As a result, such investment professionals may allocate such time and attention as is deemed appropriate and necessary to carry out the operations of each Fund. In this respect, such investment professional may divert his attention from one Fund to attend to the needs of a different Fund. Furthermore, compensation of such investment professionals may vary from Fund to Fund. Although Funds may have a different primary investment objective, certain Funds, from time to time, may execute similar strategies and investments may be made at the direction of overlapping investment teams. To mitigate such conflicts, the Adviser has implemented controls to review investments for compliance with Fund guidelines and restrictions and to review the performance for accounts with similar investment objectives. Nevertheless, such mitigations may not be sufficient to eliminate all such conflicts.

In addition, affiliates of the Adviser expect to, from time to time, contract and/or otherwise conduct business with companies and partnerships in which the Fund invest (directly or indirectly through other funds) upon such terms and conditions as may be agreed between such affiliates and entities.

Further, the Adviser or its affiliate(s) has an economic interest in Fund and certain of those affiliates may provide services to Fund, creating a conflict of interest. In order to mitigate this conflict, the Adviser or its affiliate(s) will recuse itself in determinations relating to such affiliated-party transaction.

Item 9 - Disciplinary Information

There are not any legal or disciplinary events that are material to an investor or a prospective investor's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

Item 10 - Other Financial Industry Activities and Affiliations

An employee of the Adviser is a registered representative of a broker-dealer. Such broker (and/or such persons) may provide investment banking, placement or similar services for one or more portfolio investments.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Fund before their own interests and to act honestly and fairly in all respects in their dealings with the Fund. All of the Adviser's personnel are also required to comply with applicable federal securities laws. For additional information about the Code or to request a copy, contact our Chief

Compliance Officer at (212) 983-1602. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities may come into possession of confidential or material nonpublic information about issuers of securities, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of the Fund. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Fund. The Adviser maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Adviser is acting in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. The Adviser and its personnel are prohibited from communicating such information with respect to the Fund or using such information for the Fund's benefit.

The Adviser, its affiliates and supervised persons may invest either directly or indirectly, through a Fund or in the general partner of such Fund, in securities the Adviser recommends to its clients. To the extent that the Adviser or its related persons invest in the same securities that the Adviser or a related person recommends to a Fund, such practices present a conflict where, the Adviser or its related person is in a position to trade in a manner that could adversely affect the Fund. In addition to affecting the Adviser's or its related persons' objectivity, these practices by the Adviser or its related persons may also harm the Fund by adversely affecting the price at which the Fund's trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: the Adviser requires its related persons to pre-clear certain transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on the Fund. In addition, the Code prohibits the Adviser or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's related persons are also required to provide a quarterly certification of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer or a third party designated by the Chief Compliance Officer and compared with transactions for the Fund's accounts and reviewed against the restricted list.

To the extent that the Adviser buys or sells securities for a Fund, at or about the same time that the Adviser or a related person buys or sells the same securities for its own account, the Adviser and the related person, if applicable, will do so in accordance with the procedure described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Adviser or its related person to the detriment of the Fund.

Item 12 - Brokerage Practices

In general, and due to the nature of the strategy of the Fund, the Adviser does not anticipate the use of broker-dealers for the provision of execution services on a regular basis but may engage broker-dealers to buy or sell assets. Broker-dealers, to the extent required for any of the Fund's transactions will be selected on a case by case basis relying on a number of factors. Such factors may include reputation, client relationships, net price, financial strength and stability, efficiency of execution and error resolution.

The Adviser may receive research or brokerage services from a broker-dealer and/or third party in connection with Fund securities transactions. This is known as a "soft dollar" relationship. Currently, the Adviser has no formal soft dollar arrangements in place. To the extent the Adviser enters into any soft

dollar arrangements, the Adviser will limit the use of “soft dollars” to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934. The Adviser may also arrange for a transaction between certain Funds, in which one Fund buys a security from or sells a security to the account of another Fund.

Since the Adviser has only one client, the Fund, it does not engage in cross transactions.

Item 13 - Review of Accounts

The Chief Compliance Officer, the Managing Member and certain other employees of the Adviser, in consultation with the Fund’s advisory committee when appropriate, regularly review and monitor the Fund’s investment portfolio to determine whether positions should be maintained in view of current market conditions. The Adviser may consider specific securities and investments held, adherence to investment guidelines and the Fund’s performance. The Adviser provides unaudited performance reports on a quarterly basis to certain investors in Fund, as specified in the Offering Documents of such Fund, and audited financial statements to certain investors in Fund annually. The Adviser may elect to provide different levels of reports to investors.

Certain investors in the Fund may request information relating to a Fund and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, the Adviser will provide such investors with the information requested. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Fund that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

Item 14 - Client Referrals and Other Compensation

Antarctica does not currently receive any monetary compensation or any other economic benefit from a non-client for Antarctica’s provision of investment advisory services to an investor.

From time to time, Antarctica may receive training, information, promotional material, meals, gifts, or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will Antarctica accept any benefits, gifts, or other arrangements that are conditioned on directing individual investors to a specific investment or provider. Similarly, the personnel of Antarctica Capital and/or its affiliates may speak at conferences and programs for potential investors. Through such capital introduction events, prospective investors have the opportunity to meet with Antarctica. Neither Antarctica nor the Fund compensates individuals for organizing such events or for investments ultimately made by prospective investors attending such events.

Item 15 - Custody

Rule 206(4)-2 promulgated under the Investment Advisers Act (the “Custody Rule”) (and certain related rules and regulations under the Investment Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful). An investment adviser is deemed to have custody if it or its affiliate serves as a general partner to a limited partnership client of the Adviser.

The Adviser is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a “qualified custodian.” Qualified custodians include banks, broker-dealers, futures commission merchants and certain foreign financial institutions.

Rule 206(4)-2 generally imposes on advisers with custody of clients’ funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients’ funds or securities. However, the Adviser need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners, within 120 days (180 days in the case of a fund of fund adviser) of its fiscal year end. The Adviser intends to rely upon this exception, to the extent the Adviser has custody of client assets, and therefore will be exempt from the Rule 206(4)-2 reporting and examination requirements. The Adviser does not currently have custody of the Fund’s assets.

Item 16 - Investment Discretion

Antarctica is retained on a non-discretionary basis to recommend and direct execution of transactions pursuant to the terms of the Fund Documents. Investment advice is provided directly to the Fund and not to investors individually.

Item 17 - Voting Client Securities

The Fund holds investments in private securities. Due to the nature of these investments, Antarctica expects to have substantial authority to exercise voting rights with respect to such securities. Antarctica has developed policies and procedures in the event that it must vote on proxies on behalf of the Fund. The Adviser will vote any proxies received in the best interest of the Fund and in accordance with any procedures described to investors. However, the policies permit Antarctica to abstain from voting proxies in the event that the Fund’s economic interest in the matter being voted upon is limited or when the impact of the vote will not have an impact on the outcome of the matter or on the Fund’s economic interests.

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

For additional information about Antarctica’s proxy voting policies and procedures and how it votes the Fund’s proxies, contact our Chief Compliance Officer at (212) 983-1602.

Item 18 - Financial Information

The Adviser does not require or solicit the payment of fees six months or more in advance.

Antarctica has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients.

Antarctica has never been the subject of a bankruptcy petition.