

# Hoplon Asset Management, L.P.

## Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Hoplon Asset Management, L.P. (“Hoplon”). If you have any questions about the contents of this brochure, please contact us at 214-432-5574. 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.

Hoplon is an investment adviser registered 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 Hoplon is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

Hoplon Asset Management, L.P. is filing Form ADV Part 2 for the first time in connection with its application to register with the SEC. As a result, there are no material changes to report. We encourage all recipients to read this Brochure carefully in its entirety.

## **Item 3 Table of Contents**

Item 2 Material Changes .....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation.....	5
Item 6 Performance Based Fees and Side-by-Side Management.....	7
Item 7 Types of Clients.....	8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	8
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 .....	15
Item 13 Review of Accounts.....	16
Item 14 Client Referrals and Other Compensation .....	16
Item 15 Custody.....	16
Item 16 Investment Discretion .....	16
Item 17 Voting Client Securities .....	17
Item 18 Financial Information.....	17

## Item 4 Advisory Business

Hoplon Asset Management, L.P. (“Hoplon”) is a Delaware limited partnership, and an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Hoplon or its affiliates provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere as well as separately managed accounts (“SMAs”) to certain institutional clients. Hoplon was founded in 2022 and is directly owned by Hoplon Capital, LLC, which is primarily owned by Robert Arsov.

Hoplon provides investment advice to pooled investment vehicles organized as private investment funds, and Hoplon’s clients include the following (each, a “Fund,” and together with current and future private investment funds collectively, the “Funds”). Hoplon provides investment advisory services to each Fund through a management agreement.

- Hoplon Fund I, L.P.
- Hoplon Fund II, L.P.
- Hoplon Fund III, L.P.

The Funds are private equity funds that invest through negotiated transactions in portfolio companies. Hoplon’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies. Senior principals or other Hoplon personnel may serve on boards of directors of the portfolio companies in which the Funds have invested.

Hoplon’s advisory services to the Funds are detailed in the relevant limited partnership agreement or other operating agreements of the Funds, (each a “Limited Partnership Agreement” also referred to as the “Governing Documents”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund.

The Funds or the general partners have and may in the future enter into side letters or other similar agreements (“Side Letters”) with certain investors that have the effect of establishing rights under or altering or supplementing the terms (including economic or other terms) of the Governing Documents with respect to such investors.

Hoplon also provides investment advice to certain institutional clients in SMAs on a non-discretionary basis. In SMA relationships, Hoplon provides SMA clients with non-discretionary investment advice, consultation, reporting and other related services relating to the acquisition of investment grade asset-backed securities (“ABS”) and other securities originated and/or placed by Vistina Structured Credit LLC (“Vistina”), an affiliate of Hoplon, or a third party and the disposition of those securities acquired by the SMA client.

As of November 30, 2024, Hoplon managed approximately \$126,326,351 million on a discretionary basis on behalf of 3 clients.

## Item 5 Fees and Compensation

Generally, with respect to the Funds, Hoplon receives a management fee and carried interest in connection with the provision of advisory services to its clients. In certain Funds, Hoplon or its affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of the Funds, including but not limited to, financial consulting fees, commitment fees, monitoring fees, directors' fees, break-up fees, success fees, transaction fees and syndication fees, and such additional compensation will offset in whole or in part the management fees otherwise payable to Hoplon to the extent provided by the Governing Documents. In addition, each Fund will also bear its share of certain expenses related to the management or operation of the Fund as described below.

Hoplon also receives a management fee in connection with the provision of advisory services to SMA clients.

Specific information regarding management fees, performance-based fees or allocations, or Fund expenses are described below, but are more fully set forth in each Fund's respective Governing Documents or the advisory agreement of each SMA client.

Hoplon may waive or reduce fees for certain Funds or clients, at the discretion of Hoplon or the Fund's general partner.

### Management Fee

Hoplon Funds will pay Hoplon or one of its affiliates for advice and services to be provided an annual fee over the life of the partnership that is a percentage of each limited partner's actively invested capital.

In the event of any increase in the subscription amount (including an increase in the subscription of an existing limited partner), the management fee that is payable on the amount of such increase will be calculated from the effective date and determined on a retroactive basis and initially shall be payable on the date of such new subscription and subsequently on each quarterly fee payment date.

Management fees for Hoplon Funds will be payable in advance, typically on a quarterly basis. If the Fund's final payment of the management fee is for a period shorter than the full billing period, then such payment shall be for the *pro rata* amount due from the beginning of such partial period until the end of such partial period.

SMA clients will be charged management fees detailed in an advisory agreement with each client. Each SMA client will be billed on a quarterly basis in advance and will be based on the net asset value of the SMA assets as of the end of the immediately preceding quarter. Prepaid management fees for services not yet rendered will be refunded on a *pro rata* basis if the management agreement is terminated prior to the end of a calendar quarter. Management fees for SMA clients are negotiable. Affiliates and supervised persons of Hoplon may receive a share of placement fees and other compensation for the sale of ABS by the issuers of those securities but not by the investors. This creates a conflict of interest and gives Hoplon and its supervised persons an incentive to recommend investment products based on the compensation received, rather than an SMA client's needs. Hoplon manages this conflict by disclosing it to clients. The Management Fee will not be

offset or reduced to account for any placement fee or other compensation received by or payable to affiliates or associated persons of Hoplon by the issuers in respect of ABS or other securities purchased by an SMA.

### **Carried Interest**

Hoplon will receive carried interest from the Hoplon Funds pursuant to a payment waterfall as defined in the Governing Documents. Please refer to the Governing Documents of each Fund for a complete description of the carried interest terms.

### **Expenses**

#### **For Hoplon Funds I and II:**

In addition to the management fees and carried interest payable to Hoplon, each Fund will bear its share of certain expenses. As more fully set forth in the Governing Documents, each Fund shall bear directly or reimburse the general partner, the management company and/or their respective affiliates for the Fund's share of organizational expenses incurred by any of them. The Fund shall be responsible for all other expenses related to the Fund and its activities including, without limitation, all expenses set forth in this sentence and elsewhere in the Governing Documents, including, without limitation: the Fund's share of any organizational expenses; the management fee; corporate finance fees; unless otherwise reimbursed by a portfolio company, all expenses incurred in connection with the business, affairs and operations of the Fund, including the sourcing, due diligence, purchase, acquisition, holding, transfer or sale of a portfolio investment (whether or not consummated, i.e., including "broken-deal" fees and expenses), including all commission, brokerage, placement, underwriting, registration, legal, accounting, tax advisory, professional or consulting fees and expenses, travel expenses (including first or business class commercial travel) including reasonable accommodations and meals; unless otherwise reimbursed by the portfolio company, merger fees and expenses payable to third parties and the fees and expenses of any third-party administrator of the Fund and the or Hoplon or its affiliates; unless otherwise reimbursed by the portfolio company, all reasonable expenses related to meetings and business-related entertainment with portfolio company personnel, intermediaries and personnel affiliated with prospective acquirers or prospective strategic partners of the portfolio company; all expenses related to the portfolio company that the portfolio company agrees to reimburse the Fund for in the future (whether or not such amounts are actually reimbursed but without duplication); extraordinary expenses; all costs and fees relating to the accounting, administrative, reporting and audit expenses of the Fund, and the preparation, printing and distribution of all communications, reports (including financial and tax reports), Schedule K-1s, portfolio valuations and tax returns of the Fund to the limited partners (including the costs and fees of maintaining any internet-based portal or website from which such items are made available); all professional fees, costs and expenses (including those relating to legal, advisory, regulatory, administrative, custodial, audit, accounting, consulting (including professional due diligence services and for "expert networks"), appraisal, valuation and compliance services rendered) incurred by or for the benefit of the Fund (including expenses incurred by Hoplon or its affiliates in connection with or compliance with the rules and regulations of the U.S. Securities and Exchange Commission (or similar state or non-U.S. rules and regulations) applicable to it as a registered investment adviser or that relate to Hoplon and its employees generally and are not specific to the Fund and its activities), including all costs and expenses, if any, incurred in connection with the Fund's legal and regulatory compliance with U.S. federal, state and local and non-U.S. or other law or regulation (including, by way of example only, Form PF

obligations under the Advisers Act, FATCA, AIFMD and “know your client” requirements, as applicable, and the preparation and administration of any reports, disclosures, filings or notifications prepared in accordance with the foregoing) or related to compliance with the provisions of the Governing Documents or any side letter or similar agreement; all expenses incurred in connection with the managed distribution of freely tradable securities; all expenses related to hedging activities taken by the Fund and permissible under the Governing Documents; all expenses incurred in connection with the formation of special purpose vehicles, including any blocker corporations (including all costs and expenses related to the presence of the Fund or any blocker corporation or other special purpose vehicle in jurisdictions in which such entities or their subsidiaries maintain such a presence, including, for example, rent, domiciliation fees, director’s fees and other similar costs); and all other expenses similar to those described in the Governing Documents or that Hoplon or its affiliates determines in its discretion are properly borne by the Fund. Any capital contributions made by a limited partner to fund the payment of Fund expenses shall be in addition to, and shall not reduce the unpaid amount of, such limited partner’s Subscription (i.e., a limited partner shall be required to contribute amounts in addition to its Subscription to fund such expenses). Unless otherwise set forth herein or as determined by Hoplon or its affiliates, in the event the Fund, any parallel funds and any other vehicle established by Hoplon or its affiliates to facilitate an investment into the portfolio company incur any common expense, Hoplon or its affiliates shall apportion such expenses amongst the funds or entities based on the relative amounts invested in the portfolio company.

### **For Hoplon Fund III**

The general partner and Hoplon shall be responsible for all of their normal overhead and expenses attributable to their activities, including salaries, bonuses and employee benefits of their personnel, office expenses, office equipment, office rental, back-up providers and utilities. In addition, the general partner and Hoplon shall be responsible for all expenses related to the Fund and its activities, other than the following expenses that shall be borne or reimbursed by the Fund: (i) the management fee (which shall be borne by the limited partners); and (ii) extraordinary expenses (as defined in the Governing Documents), which, unless otherwise determined by the general partner in good faith (including, without limitation, if an extraordinary expense relates only to a given class of interests), shall be borne by all limited partners based on their respective subscriptions.

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

As described under “Fees and Compensation,” the relevant Fund general partner generally receives carried interest on certain realized profits in certain Funds. Where Funds have varying carried interest terms (including amount, timing, waterfall conditions or other terms) or Hoplon personnel can receive varying percentages of carried interest from the Funds, Hoplon and such personnel have potential conflicts of interest to favor the Funds from which they are entitled to receive a higher carried interest percentage in allocating investment opportunities.

Hoplon seeks to address the potential for conflicts of interest through its allocation policies that provide that investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Hoplon or any personnel. In addition, the

Funds are single asset vehicles, meaning each limited investor has the ability to direct their initial investment decision with the benefit of their own review of due diligence materials.

The existence of performance-based compensation has the potential to create an incentive for a general partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such arrangement. Hoplon generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

Hoplon does not charge any performance fees with respect to SMA clients.

## **Item 7 Types of Clients**

Hoplon provides investment advice to the Funds as well as SMA clients. The Funds generally include investment partnerships or other investment entities formed under U.S. laws and operate as exempt investment pools under the U.S. Investment Company Act of 1940, as amended.

There is no minimum required investment amount for the Hoplon Funds.

SMA clients include institutional investors, such as insurance companies. Hoplon's minimum account size for SMA clients is \$10,000,000. Thereafter, a client may withdraw from the SMA as of the end of each calendar quarter; provided that at all times during the term of the investment management agreement, the client may not withdraw from the SMA if the net asset value of the SMA would fall below \$10,000,000 as a result of such withdrawal.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

*Investing in securities involves a risk of loss that clients should be prepared to bear. For a more complete discussion of Hoplon's investment process, please refer to the Governing Documents or other agreements relating to each investment.*

### **Investment Strategies and Methods of Analysis**

Hoplon focuses on investing in businesses in the IT services, insurance, technology and health care industries. The Funds make investments in primarily long-term control or non-control equity, equity-related and other securities with equity components. In accordance with the Fund's investment objectives, and subject to restrictions and requirements set forth in the Fund's Governing Documents, investments are generally made in companies headquartered in North America or certain countries in Europe. Hoplon's investment activities include investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of a Fund, managing and monitoring the performance of such investments, and disposing of such investments.

In making investments with respect to the Funds, Hoplon evaluates the different opportunities, highlighting and considering business fundamentals, potential post-close value creation initiatives, and a multitude of potential risks across the industry, economic cycle, valuation cycle, and strategic plan execution as well as many other considerations. Hoplon expects that it will engage third parties to assist us with operational, legal, environmental, employment, insurance, tax, and background due diligence.

Hoplon will also provide certain investment advisory and related services to the SMA clients, including non-discretionary investment advice and access to investment grade ABS, consultation, reporting and other related services relating to the acquisition and disposition of these securities acquired by the SMA as recommended from time to time by Hoplon. Any investment decision made by the SMA clients will be determined based on the Investor's own due diligence and discretion. Hoplon does not have the authority to acquire or dispose of any asset for an SMA without the client's prior consent.

### **Risk of Loss**

Hoplon seeks to conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment and to identify possible risks associated with that investment. When conducting due diligence and making an assessment regarding an investment, Hoplon relies on publicly available information and resources. The due diligence process is at times subjective (such as with respect to newly organized companies for which only limited information is available). Accordingly, Hoplon's due diligence with respect to any investment opportunity cannot always reveal or highlight all relevant facts (including evidence of fraud) that are necessary or helpful in evaluating such investment opportunity. Hoplon's due diligence is no guarantee of the success of an investment or that the actual financial performance of an investment will achieve the financial projections used when evaluating that investment.

Investing in the Fund involves a high degree of risk. There can be no assurance that the Fund's investment objective will be achieved. The possibility of partial or total loss of capital will exist and investors must be prepared to bear capital losses that may result from investments. The limited partners further acknowledge and agree that they are solely responsible for making their own decisions as to the merits of making an investment in the Funds and indirect investment in the portfolio company, and the general partner shall not be deemed to have provided investment advice with respect to any such investment opportunity.

***Investment in Private Companies.*** The Funds' investment portfolio is expected to consist primarily of securities and/or interests issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments are illiquid and involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war, revolutions and the effects of terrorist attacks. The possibility of partial

or total loss of capital will exist and investors should not invest unless they can readily bear the consequences of such loss.

***Concentration of Investments.*** Each Fund will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of a Fund may be materially affected by the performance of a single investment or a single industry segment.

***Growth Equity Transactions.*** A Fund may make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments generally involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion to achieve or maintain a competitive position and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

***Impact of Government Regulation, Reimbursement and Reform.*** Certain industry segments in which a Fund may invest, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

***Illiquidity; Lack of Current Distributions.*** An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including any management fee payable to the general partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

***Inflation Risk.*** High rates of inflation and rapid increases in the rate of inflation generally have a negative impact on financial markets and the broader economy. In an attempt to stabilize inflation, governments could impose wage and price controls or otherwise intervene in a country's economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, potentially result in negative effects on the level of economic activity. Persistently high levels of inflation could have a material and adverse impact on a Fund's investments and its aggregated returns. For example, if a portfolio company was unable to increase its revenue while the costs of relevant inputs were increasing, the portfolio company's profitability would likely

suffer. Likewise, to the extent a portfolio company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, the portfolio company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a portfolio company could see its competitors' costs stabilize sooner or more rapidly than its own costs. Additionally, because the preferred return rate is not linked to the rate of inflation, as the rate of inflation increases the proportion of real returns (i.e., the nominal rate of return less the rate of inflation) treated as preferred return decreases and the proportion of real returns subject to performance-based compensation increases.

***Restricted Nature of Investment Positions.*** Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the limited partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such limited partners. After a distribution of securities is made to the limited partners, other limited partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such limited partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to Hoplon with respect to such investment.

***Non-U.S. Investments.*** The Funds may invest in companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

***U.S. Taxation of Carried Interest.*** U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its general partner, or Hoplon who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Hoplon to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

***Uncertain Economic, Social and Political Environment.*** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist

activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive attractive earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

***Dependence on Key Personnel.*** Hoplon may rely on certain key personnel to conduct its investment activities. The departure of any such key personnel for any reason, including relating to compensation or other factors, or the inability of such key personnel to fulfill certain duties, may adversely affect the ability of Hoplon to effectively implement the investment programs of the investment vehicles it manages.

***Public Health Emergencies; COVID-19.*** Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds. The ultimate impact of any such health emergency—and any resulting decline in economic and commercial activity—on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds.

***Limited Access to Information.*** Limited partners' rights to information regarding a Fund, the relevant general partner or Hoplon generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the general partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Hoplon's control.

***Financial Institution Risk; Distress Events.*** The Funds may be exposed to the risk that one of the banks, brokers, hedging counterparties, lenders or custodians of some or all of the Fund or SMA client's assets fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress. An event of financial distress could result in Hoplon being unable to access deposits for an extended period of time or ever. Although assets held by regulated financial institutions in the U.S. frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation in the case of banks or the Securities Investor Protection Corporation in the case of certain broker-dealers, amounts in excess of the insurance limits are subject to risk of loss.

***Cybersecurity Risks.*** Hoplon and its clients are subject to increasing cybersecurity risks. To the extent that Hoplon or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of

stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Hoplon may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Hoplon's operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors).

**ABS Risk.** SMA clients are subject to risks associated with investments in ABS. ABS represent interests in "pools" of assets, including consumer loans or receivables held in trust. Although ABS generally experience less prepayment risk than residential mortgage-backed securities, ABS, like traditional fixed-income securities, are subject to credit, interest rate, inflation, valuation, liquidity, prepayment and extension risks. In certain states, it may be difficult to perfect the liens securing the collateral backing certain ABS. In addition, certain ABS are based on loans that are unsecured, which means that there is no collateral to seize if the underlying borrower defaults.

**Structured Products Risk.** Holders of structured products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. Holders may have the right to receive payments only from the structured product, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. Certain structured products may be thinly traded or have a limited trading market. Structured products carry additional risks, including, but not limited to: the possibility that distributions from collateral securities will not be adequate to make interest or other payments; the quality of the collateral may decline in value or default; and the possibility that the structured products are subordinate to other obligations of the issuer. Prices of and interest payable by structured notes are based upon the movement of one or more factors, including currency exchange rates, interest rates, reference bonds and stock indices, and changes in interest rates and impact of these factors may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero.

## **Item 9 Disciplinary Information**

Hoplon and its personnel have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of Hoplon or its personnel.

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

Hoplon is not registered, nor does it have a registration pending to become a broker-dealer. Certain of Hoplon's employees are registered representatives of a broker-dealer. Neither Hoplon, nor any of Hoplon's professionals or related persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of any of the foregoing entities.

Hoplon is directly owned by its parent company, Hoplon Capital, LLC, which is primarily owned by Robert Arsov.

Hoplon is affiliated by common ownership with Vistina. Hoplon's SMA clients are potential buyers of ABS securities originated by Vistina or for which associated persons of Hoplon receive a share of placement fees or other compensation, presenting a conflict of interest. Hoplon believes that the non-discretionary strategy as it relates to its SMA clients helps to mitigate this conflict as SMA clients are responsible for conducting their own due diligence and making their own investment decisions.

Hoplon is affiliated by common ownership with Cardiff Insurance Group, LLC ("Cardiff"), an insurance company located in Crossville, Tennessee. A possible conflict of interest exists due to the fact that Cardiff is partially owned by Hoplon Capital, LLC, the parent company of Hoplon, as well as Hoplon Fund II, L.P. To the extent that the interests of Hoplon Capital, LLC, differ from the interests of Hoplon Fund II, L.P., for example, if the fund were to express interest in selling its investment in Cardiff, Hoplon Capital, LLC who controls the voting rights of Cardiff's board of directors, may not wish to sell its interest in Cardiff. Further, if Hoplon Fund II, L.P. were to sell its interest in Cardiff to Hoplon Capital, LLC or another affiliate it could create a principal transaction as defined in Item 11. This conflict of interest would be mitigated through the use of independent legal counsel as well as a documented valuation analysis.

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

Hoplon has adopted Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that is applicable to all employees and other designated individuals. Among other things, the code requires Hoplon and its employees to act in clients' best interests, avoid taking inappropriate advantage of their position at Hoplon, abide by all applicable laws and regulations including federal securities laws at all times, avoid even the appearance of insider trading, and pre-clear and report on certain types of personal securities transactions. Hoplon's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household.

Hoplon's employees are required to file certain periodic reports with the compliance department as required by Rule 204A-1. In addition, Hoplon employees are generally permitted to make personal trades in securities, however, employees are required to pre-clear proposed transactions in securities belonging to certain sectors.

A copy of Hoplon's code of ethics is available upon request.

### **Principal Transactions**

Where permitted by applicable law, Hoplon may cause clients to engage in a principal transaction. Hoplon will have a potentially conflicting division of loyalties and responsibilities to the parties in a principal transaction, including with respect to whether to recommend the transaction, valuation, pricing, and other terms. Hoplon maintains policies and procedures in relation to principal transactions and associated conflicts of interest.

### **Conflicts of Interest**

Hoplon, its Principals, and certain employees will generally have a material direct or indirect investment in the Funds. Therefore, Hoplon may be considered to participate, indirectly, in transactions effected for the Funds. Investments made by Hoplon, its principals, and employees are generally made on the same terms as investors in the Funds. However, fees and investment minimums may be waived or reduced for Hoplon, its principals and employees. Where Hoplon or its affiliates, principals or employees invests in opportunities recommended to Funds or SMA clients a conflict of interest exists.

The timing of transactions entered into or recommended by Hoplon may negatively impact clients or benefit other clients, such as if Hoplon recommends a transaction to certain accounts ahead of, contemporaneously with, or behind the implementation of similar investment decisions or strategies for other clients. Such action could result in certain clients receiving less favorable investment or trading results or incurring increased costs and could increase or decrease the value of such security held by other clients.

Hoplon performs certain valuation services related to securities held by clients according to its valuation policies and may value an identical asset differently than another entity might value the asset. This can particularly be the case with hard-to-value assets such as ABS.

The principals and/or employees of Hoplon may be subject to a variety of conflicts of interest relating to their responsibilities to the Funds and SMA clients and their respective investments and their outside business activities, including activities related to entities owned directly or indirectly by Hoplon or its principals. Hoplon's principals and employees will devote the majority of their time to the activities of Hoplon, however, they may also devote a substantial amount of time to these other activities.

## **Item 12 Brokerage Practices**

Hoplon focuses on securities transactions of private companies or ABS in privately negotiated transactions and generally does not intend to regularly transact in public securities. Hoplon provides advice to SMA clients about securities originated and/or placed by Vistina, an affiliate of Hoplon, or a third party and the disposition of those securities acquired by the SMA. Affiliates and supervised persons of Hoplon may receive a share of placement fees and other compensation for the sale of ABS. This creates a conflict of interest and gives Hoplon and its supervised persons an incentive to recommend investment products based on the compensation received, rather than an SMA client's needs.

Hoplon reserves the right to distribute securities to investors in a Fund or sell such securities, including through a broker-dealer, such as where a public trading market exists. To the extent Hoplon might transact in public securities for its clients, Hoplon may take into account the full range of applicable factors when hiring third-party service providers or other intermediaries for the purpose of completing said transactions. Factors may include, but are not limited to, general expertise and background, past experience in working with the service provider, the type and size of the transaction involved, the stability or solvency of the service provider or counterparty, settlement capabilities, time required to complete the role sought, research services or any arrangements relating to overall performance in the best interest of the Fund or client. Hoplon may aggregate client transactions in the same security for multiple clients so that orders can be executed

at the same time, but is under no obligation to aggregate client transactions. Hoplon may be able to negotiate a better price and lower commission rate on aggregated orders. Where orders are not aggregated, clients may not benefit from the better price or lower commission rate received.

### **Item 13 Review of Accounts**

Accounts under Hoplon's management are monitored on a regular basis by the Investment Committee members. The Investment Committee members generally meet weekly with all available investment team members to review current and prospective investments in the Fund.

Hoplon will prepare regular written reports regarding the performance of each Fund's portfolio company on a quarterly basis. SMA clients receive account statements directly from their chosen custodian on at least a quarterly basis. Hoplon may supplement these custodial statements with reports provided upon request.

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

Hoplon does not compensate any custodian or broker/dealer for referring client accounts. Hoplon expects to from time to time enter into one or more solicitation arrangements to aid in the raising of capital for certain of the Funds. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors. Any fees payable to any such placement agents generally will be borne by the relevant Fund.

### **Item 15 Custody**

Hoplon and/or its affiliates are generally deemed to have custody, within the meaning of Advisers Act Rule 206(4)-2 (the "Custody Rule"), over the Funds' assets, subject to certain exceptions set forth in the Custody Rule and related guidance. As required by the Advisers Act, Hoplon will conduct all business operations in such a way that the Funds' cash and securities, other than privately offered non-certificated securities, will be preserved in the safekeeping of independent qualified custodians. Where required, each such investment entity will be audited at least annually by an independent PCAOB registered accounting firm.

SMA clients' accounts are held in custody by unaffiliated custodians chosen by the client. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements and should compare these statements to any account information provided by Hoplon.

### **Item 16 Investment Discretion**

Hoplon, through the general partners of the Funds, has discretionary authority to determine the securities or other investments as well as the amounts thereof to be bought and sold for the Funds. Such authority is subject to limitations set forth in the governing documents of the Funds.

SMA clients have the ability to select or reject securities recommendations made by Hoplon; therefore, Hoplon does not have discretionary authority to determine the securities or other investments to be bought or sold for those clients.

## **Item 17 Voting Client Securities**

Hoplon's investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a client will be placed in a position of proxy voting authority. However, if a Fund does come into possession of securities with voting rights, the Firm will implement the appropriate policies and procedures and seek to vote proxies in the best interests of such Fund.

A copy of Hoplon's proxy voting policies and procedures is available upon written request.

## **Item 18 Financial Information**

Hoplon has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.