

## Item 1: Cover Page

# ANCALA PARTNERS LLC

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This brochure (the "Brochure") provides information about the qualifications and business practices of Ancala Partners LLC ("Ancala US" or the "Adviser", "we," or "us"). If you have any questions about the contents of this brochure, please contact us at (212) 364-5110 and/or [ancala.us.compliance@ancala.com](mailto:ancala.us.compliance@ancala.com).

The Adviser has applied for investment adviser registration with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC does not imply a certain level of skill or training, and the information in this brochure has not been approved or verified by the SEC or by any state securities authority.

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

## **Item 2: Material Changes**

This is the first Brochure that we have filed as part of our application to register as an investment adviser with the SEC. Therefore, there are no material changes to be disclosed at this time.

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## Item 4: Advisory Business

Ancala Partners LLC (“Ancala US”) is an investment adviser with its principal place of business in New York, NY. Ancala US was founded in 2024 as a wholly-owned subsidiary of Ancala Partners LLP (“Ancala UK” or the “Manager”<sup>1</sup> and together with affiliates, “Ancala Partners”). Vontobel Holding AG (“Vontobel”) and Spence Clunie, the founder and Managing Partner, hold the majority of equity interest in Ancala UK.

Ancala Partners LLP is a London based investment adviser, filed with the SEC as an exempt reporting adviser and is also authorized and regulated by the Financial Conduct Authority (“FCA”) in the UK (Reference No: 535445).

Vontobel is a Swiss holding company in Zurich, Switzerland that is a related company to Bank Vontobel AG, one of Switzerland’s foremost private banks for over 100 years. Vontobel Holding AG shares are listed on the SIX Swiss Exchange.

Ancala Partners is an infrastructure investment manager established in 2010 by a team of experienced investment professionals and portfolio company managers, led by Spence Clunie. The team invests in and manages assets in the mid-market infrastructure sector. Ancala UK manages a number of pooled investment vehicles (the “Funds”) and managed accounts established for institutional investors for making and holding investments in mid-market infrastructure assets or businesses.

Pursuant to an inter-company service level agreement (the “SLA”), Ancala US will provide non-discretionary advisory services to Ancala UK (and its affiliates, as applicable) with respect to the Funds and its clients.

These advisory services include but are not limited to business development, identification, performance of due diligence on and evaluation of investment opportunities, recommendation of investment opportunities to Ancala UK for its investment consideration, implementation of investment decisions made by Ancala UK including negotiation of terms, transaction structuring and other necessary steps as agreed with Ancala UK, ongoing monitoring and management of designated investments, implementing exit strategies for such investments, participation in various Ancala UK committees in relation to such investments and the provision of other assistance as requested by Ancala UK.

Ancala US does not provide advisory services to any clients other than Ancala UK.

Our investment advice is provided to Ancala UK. We will recommend investments to Ancala UK in line with the investment objectives and guidelines set out in the relevant Funds’ documentation. Broadly, we seek to provide advice to Ancala UK in making control investments or taking significant minority stakes in unlisted mid-market infrastructure companies in North America. Our investment advice is not tailored to the needs of underlying investors in the Funds (the “Investors”).

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<sup>1</sup> Ancala UK is designated as the Alternative Investment Fund Manager (“AIFM”) for each of the Funds under the Alternative Investment Management Fund Directive (“AIFMD”) as well being the Manager for its clients that are separately managed accounts.

Investments are determined at the sole discretion of Ancala UK. Ancala US does not have any discretion with respect to investment decisions.

As of the date of this Brochure, we do not have any assets under management, but we expect to have, within 120 days, assets under management sufficient to remain eligible for registration with the SEC.

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

### **Fees**

Ancala US is paid an advisory fee by Ancala UK, pursuant to the SLA based on transfer pricing analysis as agreed from time to time with Ancala UK, taking into consideration (a) the compensation of the employees who provide the advisory services and (b) any overhead and expenses directly attributable to the provision of the services. Ancala US will bill Ancala UK for fees incurred. The service fee is payable in arrears, on a quarterly basis or more frequently if required. Ancala US is not entitled to any other compensation other than that paid by Ancala UK.

Ancala US does not share directly in fees paid by Ancala UK clients or Funds. Certain employees of Ancala US, however, may hold or be awarded in the future a percentage of Carried Interest in Funds or other investment vehicles managed by Ancala UK.

### **Additional Fees and Expenses**

Ancala US does not receive any additional fees other than those disclosed under “Fees” above. Any reasonably incurred expenses by Ancala US for the provision of its services to Ancala UK shall be reimbursed by Ancala UK, part of which may be recharged by Ancala UK to a Fund or its clients in line with the relevant clauses set out in the Fund or other contract/agreement.

Ancala US does not have authority to withdraw assets from any client or Fund account for payment of fees and expenses. However, as further described in Item 15 below, certain of our affiliates do have authority to do so.

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

The Adviser does not receive compensation based directly on Ancala UK Client or Fund performance in connection with providing investment advice. Ancala US will receive only a service fee as noted above in Item 5. Ancala US does not charge performance-based fees.

There is no side-by-side management as Ancala US only makes recommendations to Ancala UK.

We do not anticipate providing advice to multiple Clients or Funds directly at the time that our registration becomes effective, and our sole client will be Ancala UK.

The Adviser is not responsible for the allocation of investment opportunities among Ancala UK' Clients and Funds. Ancala UK takes sole responsibility in making such allocations in line with its conflicts of interest and other applicable policies and procedures.

## **Item 7: Types of Clients**

As noted in Item 4 above, we provide advice solely to Ancala UK on a non-discretionary basis. Ancala US does not anticipate having any other clients.

Persons reviewing this brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Funds sponsored by Ancala UK. Any such offer or solicitation will be made only by means of the applicable Fund's governing documents.



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

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

As described in Item 4 above, we seek to recommend attractive, low risk investments in mid-market infrastructure sector, to Ancala UK for their investment decision. Ancala US consists of professionals who are experienced in originating, investing and managing businesses in the infrastructure sector and will work in collaboration with Ancala UK to implement investment decisions.

Before making a recommendation, we will seek to carry out a rigorous due diligence process with regard to both the financial and risk profile of the target companies.

### **Risks**

Ancala US only provides advisory services to Ancala UK and those investment recommendations entail a degree of investment risk. Some of the material risks include but are not necessarily limited to the following.

### **Risk Summary**

An investment in an unlisted infrastructure fund (a "Fund") is subject to a high degree of risk. Like all investments, an investment in a Fund entails the risk of loss, including the loss of all invested principal. This list does not purport to be a complete disclosure of all risks that may be relevant to a decision to make an investment in a Fund. No attempt has been made to rank risks in the order of their likelihood or potential harm. As a result of such factors, as well as other risks inherent in any investment, there can be no assurance that a Fund will meet its business objectives or that significant operating losses will not occur. Returns on an investment in a Fund may be unpredictable and, accordingly, a prospective investor should only invest in a Fund as part of an overall investment strategy and should consult their own legal, tax and financial advisers about the relevant risks.

#### *AIFMD Directive*

The AIFM Directive ("AIFMD") regulates managers of alternative investment funds based in the European Union and generally prohibits such alternative investment managers from managing any alternative investment fund which is domiciled in the European Union unless authorisation is granted to the alternative investment fund manager. The AIFMD imposes regulatory obligations on authorised managers of alternative investment funds in respect of their activities and the alternative investment funds that they manage. The AIFMD also regulates, and imposes regulatory obligations in respect of, the marketing in the European Union by managers of alternative investment funds (whether established in the European Union or elsewhere) of alternative investment funds (whether established in the European Union or elsewhere). As a consequence of the enactment of the AIFM Law, a Fund may face additional costs arising from the compliance with the requirements described above and further regulation which may be implemented by competent authorities on national and EU level.

### *Anti-Corruption*

In some countries, there is greater acceptance of government involvement in commercial activities and of corruption. As a result, there is an increased risk of corruption in some of the jurisdictions in which a Fund may invest. A violation of anti-corruption or anti-bribery laws by a Fund (or a member of Ancala US) or by a portfolio company could have a material adverse effect on a Fund. If a Fund or any of its Investee Companies were to violate anti-corruption or anti-bribery laws, there could be significant legal and monetary penalties and other adverse consequences.

The U.S. and the UK have adopted the U.S. Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act of 2010 (the “UK Bribery Act”), respectively, and other jurisdictions have adopted similar anti-corruption and anti-bribery laws. Many of these laws have extraterritorial application. While the AIFM/Manager is committed to complying with the FCPA, the UK Bribery Act, and other anti-corruption laws and regulations to which it and/or a Fund may be subject, there can be no assurance that efforts to comply with anti-corruption and anti-bribery laws will be successful. Additionally, as a result of the commitment to use efforts to comply with anti-bribery and anti-corruption laws, a Fund may be adversely affected because of its unwillingness to participate in transactions that would violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for a Fund to successfully obtain opportunities and or retain business.

Asset management firms and the funds they manage may face increased scrutiny with respect to their activities and to activities by their Investee Companies.

While Ancala US has developed and implemented policies and procedures designed to ensure compliance by the AIFM/Manager and its personnel with the FCPA and other applicable anti-corruption and anti-bribery laws, such policies and procedures may not be effective in all instances to prevent violations. In addition, notwithstanding Ancala US’s policies and procedures, affiliates of Investee Companies, particularly in cases where a Fund does not control such portfolio company, may engage in activities that could result in violations of the FCPA or other applicable anti-corruption or anti-bribery laws.

A Fund may incur costs and expenses associated with engaging external counsel or other third party consultants or professionals in connection with inquiries or investigations relating to FCPA or other applicable anti-corruption laws or anti-bribery laws. In these cases, a Fund could suffer significant losses from the cost of defence, interruption to ordinary operations, and fines and penalties.

### *Borrowing Risk*

The investee companies of a Fund may utilize debt to fund part of its capital requirements, which exposes the financial performance of these companies to adverse economic factors such as a rise in interest rates. There is no guarantee that investments will be able to obtain required borrowing at reasonable rates. The value of any investment funded with borrowing may be significantly reduced should that investment be unable to generate sufficient cash flow to meet both debt servicing obligations and/or pay distributions to a Fund.

### *Co-investment*

A Fund may invest in Investee Companies alongside financial, strategic or other third-party co-investors. Investments alongside co-investors will involve risks which may not be present in investments without a co-investor, including the possibility that a co-investor's interests are inconsistent with those of a Fund or that a co-investor may be able to take actions contrary to a Fund's investment policy or may become bankrupt or otherwise default on its obligations.

Investors should also note that, pursuant to the terms of a Fund governing documents, the AIFM/Manager may offer co-investment opportunities with respect to certain investments to be made by a Fund and may allocate any such opportunities among interested parties in its sole discretion. Investing in a Fund does not entitle an Investor to allocations of co-investment opportunities.

### *Competition from other Buyers*

A Fund may compete for investments with other parties from time to time. It is possible that competition for appropriate investment opportunities may also increase. In either case, such competition may reduce the number of opportunities available and/or adversely affect the terms upon which the investments can be made by a Fund, including, for example, the cost of investment. Such competition may therefore reduce investment returns and contractual protections afforded to a Fund when acquiring investments. In addition, such competition may have an adverse effect on the length of time required to fully invest a Fund. There can be no certainty a Fund can be fully invested.

### *Concentration and Syndication Risk*

As a Fund may participate in a limited number of investments and its investments will be concentrated in the same industry or business sector, the Fund's portfolio could become concentrated in few investments and the performance of a few investments or a particular industry may affect the Fund's aggregate return.

There is no guarantee that a Fund will be able to achieve full investment during the Investment Period and, accordingly, the Fund may only make a limited number of investments. If a limited number of investments is made, poor performance of a small number of investments could significantly affect returns to investors. Other factors that may affect the Fund's ability to source suitable investments include, among other things: general market events which adversely affect the price of securities, whether individually or collectively; the inability of the Fund to acquire investments at favourable entry valuations; and the inability of the Fund to reinvest the proceeds from the sale or repayment of any of its assets in suitable target investments on a timely basis, whether at prices that the Fund believes are appropriate or at all.

### *Conflicts Policies and Procedures*

Policies and procedures implemented by Ancala US from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across Ancala US and its affiliate's operating platform and areas of expertise on which Ancala UK expects to draw for purposes of pursuing attractive investment opportunities. As a result, information which could be of benefit might become restricted to certain business units and otherwise be unavailable to all affiliates and investors.

Ancala US may implement certain policies and procedures that may reduce the synergies that Ancala US generally seeks to implement across its business (for example, through the creation of information barriers to mitigate conflicts) which restricts information flow. Additionally, the terms of confidentiality or other agreements may restrict or otherwise limit the ability of Investee Companies and their associated persons to make investments in or otherwise engage in businesses or activities competitive with such companies.

### *Controlling Stakes*

Funds aim to assume control or co-control positions in Investee Companies or otherwise to be capable of exercising a significant influence as a shareholder with respect to Investee Companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in respect of which the limited liability generally characteristic of business operations may be ignored.

Further, a Fund may be presumed to exercise or have exercised decisive influence in its function as a shareholder with respect to the activities of one or more Investee Companies or former Investee Companies (including, for example, through board governance rights) and therefore be held jointly and severally liable for the conduct of such Investee Companies or former Investee Companies (including, for example, competition law violations), irrespective of the shares or voting rights held or formally held with respect to such portfolio company or former portfolio company (as applicable), subject to the terms of Fund governing documents, may therefore result in Investors being required to fund amounts or return proceeds previously distributed for purposes of satisfying any such liability and may otherwise result in an adverse effect on the affairs of a Fund and Investors.

More generally, membership on the board of a portfolio company can result in personal actions in litigation both in such situations and in other circumstances. A Fund may itself be liable to make payments to cover liabilities arising from such actions.

### *Counterparty Credit Risks*

Some institutions (including brokerage firms and banks) with which a fund will do business or to which securities will be entrusted for custodial purposes, may encounter financial difficulties, fail or otherwise become unable to meet their obligations. In light of recent market turmoil, such financial institutions' financial condition (as well as that of the Fund) may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the activities and operations of a Fund. In the event of a bankruptcy or insolvency of such a counterparty, a Fund could experience delays in liquidating an investment and significant losses, including the loss of that portion of a Fund's portfolio held by such a counterparty, which may arise as a result of a decline in the value of an investment during the period in which a Fund seeks to enforce its rights, the inability to realise any gains on an investment during such period and significant fees and expenses incurred in enforcing its rights. A Fund is subject to the risk that such counterparties may or may not have access to finance and/or assets at the relevant time and may fail to comply with their obligations under the relevant arrangements.

### *Currency risk*

Investments may be held in vehicles that reference currency will generally be the Euro. Investments are also likely to be made and realized in currencies other than the reference currency of the vehicles. Changes in exchange rates may have an adverse effect on the value, price or income of the investments and in addition will incur costs in converting funded commitment amounts and investment proceeds from one currency to another. The value of an investment may fall as a result of fluctuations in the currency of the country in which the investment is made against the value of the Euro. Affiliates of Ancala UK may (but is not obliged to) endeavor to manage currency exposures into Euros, using appropriate hedging techniques where available and appropriate. They may or may not enter into forward contracts on currencies, as well as purchase put or call options on currencies and other hedging transactions. A Fund may incur costs related to currency hedging arrangements, which may in turn reduce returns otherwise to be received by Investors. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis. Movements in the foreign exchange rate between Euros and the currency applicable to a particular Investor may have an impact upon such Investor's returns in their own currency of account.

Changes in exchange rates may also have an adverse effect on the performance of Investee Companies.

There is a risk that certain member states of the European Union may cease to use the Euro as their national currency. This could have an adverse effect on a Fund, the performance of its investments and its ability to fulfil its investment objectives.

### *Cyber Security Breaches and Identity Theft*

Ancala US', and its service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Ancala US and its affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Ancala US, an affiliate, a Fund and/or a service provider may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Ancala US', and/or a service provider's operations 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).

### *Difficulty in Locating Suitable Investments*

It may be difficult to find a sufficient number of attractive opportunities to meet a Fund's investment objectives. There is no guarantee that a Fund will be able to achieve full investment during its commitment period and, accordingly, a Fund may only make a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few of them could significantly affect the return to Investors.

### *Due Diligence Risk*

The Manager will conduct, and will use third parties to conduct, due diligence on prospective investments. In conducting such due diligence, the Manager's investment professionals will use publicly available information, as well as information from their relationships with former and current management teams, consultants, competitors and investment bankers. Such a level of due diligence may not, however, reveal all matters and issues, material or otherwise, relating to prospective investments.

### *Enhanced Scrutiny and Potential Regulation of the Private Equity Industry*

The ability to achieve its investment objectives, as well as the ability of to conduct its advisory operations, is based on laws and regulations, as well as their interpretation, which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Adviser's ability to achieve its investment objectives, as well as the ability of to conduct its operations. Furthermore, if regulatory capital requirements, from the Dodd-Frank Act, Basel III, or other regulatory action, are imposed on private lenders that provide funding to private investment vehicles, or were to be imposed on investment vehicles, such lenders or an investment vehicle may be required to limit, or increase the cost of, financing such lenders provide to such investment vehicles or that they provide to others. Among other things, this could potentially increase financing costs, reduce the ability to originate or acquire loans and reduce liquidity or require the sale of assets at an inopportune time or price.

A key feature of the Dodd-Frank Act is the potential extension of prudential regulation by the Federal Reserve to financial institutions that potentially pose risk to the US financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is predominantly engaged in activities that are financial in nature. The FSOC, an interagency body created to monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by the Federal Reserve, including capital, leverage and liquidity requirements, if the FSOC determines that such company is systemically important. The Dodd-Frank Act does not contain any minimum size requirements for such a determination by the FSOC and it is possible that it could be applied to private funds, particularly large, highly leveraged funds. The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with certain private equity funds and hedge funds and other provisions that affect the private equity industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called "Volcker Rule", which takes the form of Section 13 of the Bank Holding Company Act of 1956, as amended.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on a Fund, the AIFM/Manager or Manager and/or Ancala US. The ultimate consequences of these regulatory developments on a Fund and its activities remain uncertain, and the private investment fund industry may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in US executive administration or Congressional leadership. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on Ancala US or otherwise impede investment activities.

In addition, the enactment of any reforms of the US Investment Advisers Act, and/or other legislation affecting investment advisers, could have an adverse effect on the private investment funds industry generally and on Ancala US and/or investment vehicles specifically and may impede the ability to effectively achieve its investment objectives.

As private equity firms and other alternative asset managers become more influential participants in the US and global financial markets and economy generally, the private equity industry has been subject to enhanced public scrutiny. For example, various federal, state and local agencies have been examining the role of placement agents, finders and other similar private equity service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. In addition, elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor. There can be no assurance that the foregoing will not have an adverse impact on investments, the AIFM/Manager, the Manager and/or Ancala US or otherwise impede investment activities.

#### *Environmental Risk*

Infrastructure assets may have impacts on their local environments. Certain projects may result in noise, visual and other pollution that give rise to negative publicity and feedback from local communities. An owner of an infrastructure asset may be liable for past and future damages caused by environmental pollutants, as well as for the costs of remediation and, in some circumstances, fines or other penalties. These liabilities may exceed the value of the relevant asset and may result in claims against the owner that may result in the loss of other assets of the owner. While Ancala will exercise reasonable care to acquire infrastructure assets that do not present a material risk of such liabilities, environmental liabilities may arise because of a large number of factors, including changes in laws or regulations and the existence of conditions that were unknown at the time of acquisition or operation.

#### *Follow-on Investments*

Following a Fund's initial investment in a portfolio company, the AIFM/Manager may decide to make additional investments into such portfolio company. Further, a Fund may participate in an investment in a portfolio company alongside one or more third parties, in circumstances where an additional investment is required in respect of such portfolio company. In certain circumstances a Fund may be prevented from participating in such additional investment due to having insufficient Commitments available for investment or as a result of reaching its diversification cap in respect of such portfolio company. No guarantees or assurances are given that any Investors would be entitled to participate in any such additional investment by way of co-investment or other arrangement outside of a Fund in order to avoid a dilution of their indirect interest in such investment. Any decision not to make follow-on investments may have a substantial negative effect on an portfolio company in need of such an investment, may result in a lost opportunity for a Fund to increase its participation in a successful enterprise, may result in a Fund's investment in an portfolio company becoming diluted and/or if the follow-on investment is offered at a discount to market value, may result in a loss of value for a Fund.

### *Inflation risk*

The U.S. and several European economies, as well as the global economy in general, have experienced higher than normal inflation rates. It remains unclear whether substantial inflation will be sustained over an extended period of time or have a significant effect on economies. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy (for example, by implementing barriers to credit and increasing base rates of interest) and certain central banks have raised and may continue to raise interest rates. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Some countries have historically experienced substantial rates of inflation. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain economies, including regions that investments are expected to be made in. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on investment returns.

### *Limitations due to Regulatory and Other Restrictions*

A Fund may seek to acquire a significant stake in certain issuers of securities. In the event that such stake exceeds certain percentage or value limits, a Fund may be required to file a notification with one or more governmental agencies or comply with other regulatory requirements. In addition, participation by one or more Investors and their particular legal status or affiliation with foreign governments may prevent or cause delays in obtaining relevant approvals from regulatory authorities which may undermine or restrict a Fund from consummating a transaction or place a Fund at a disadvantage to competitors or otherwise restrict the ability of a Fund to implement its investment strategy, each of which may have an adverse effect on a Fund and its activities. Certain notice filings may also be subject to review that requires a delay in the acquisition of the security. Compliance with such filing and other requirements may result in additional costs to a Fund and may delay a Fund's ability to respond in a timely manner to changes in the markets with respect to such securities. In addition, the AIFM/Manager, the Manager or any of their affiliates may be required to make disclosures of investments in portfolio company securities as a result of a Fund holding an interest in a portfolio company that is above or otherwise crosses a reporting threshold for the market concerned.

### *Limited Regulatory Oversight*

Any Funds will not be registered as an investment company under the US Investment Company Act. The US Investment Company Act provides certain protections to Investors and imposes certain restrictions on registered investment companies, none of which will be applicable to a Fund.

### *Liquidity Risks*

Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect the ability of a Fund to buy or sell investments on favourable terms.

An investment in a Fund that focuses on equity investment in privately held mid-market infrastructure assets/businesses requires a long-term commitment with no certainty of return. No market exists for



the Interests and none is expected to develop. In addition, the consent of the AIFM/Manager is required before an investor can transfer its Interest and such consent may be withheld by the AIFM/Manager in its discretion. Furthermore, investors have no right to withdraw from the Fund or to redeem their Interests. As such, Interests are long-term illiquid investments and may only be realised in accordance with the terms of the relevant Partnership Agreement.

#### *Litigation Risk*

Financial performance of investments may be adversely affected from time to time by litigation such as contractual claims, occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. The performance of a Fund may also be adversely affected in the event that litigation is commenced against one or more members of Ancala US, which litigation may restrict such members from performing their functions and duties in relation to investments. There can be no assurance that any such litigation, investigation or proceeding, once begun, would be resolved in favor of an investment, Ancala US or its portfolio companies (as applicable), and any such litigation could be prolonged and expensive.

#### *Macroeconomic Risk*

General economic conditions, including interest rates, the availability of financing and the state and volatility of the public markets, may adversely affect the value and number of investments. There can be no assurance that current regional or global market conditions will not deteriorate during the life of a fund.

Actual or perceived trends in economic markets do not guarantee, predict or forecast future events, which may differ significantly from those implied by such trends. In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect regional and global economic conditions and world markets. Any of these events could result in substantial or total losses to the Fund a fund.

In addition to other analytical tools, the Ancala team will use financial models to evaluate investment opportunities. The accuracy and effectiveness of such models cannot be guaranteed. In all cases, projections are only estimates of future results which are based upon assumptions made at the time that the projections are developed.

Projections are inherently uncertain and subject to factors beyond the control of the AIFM/Manager and the Portfolio Company in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of the AIFM/Manager to realise projected values and/ or cash flow in respect of an investment. Therefore, there can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic and industry-specific conditions, which are not predictable, can also have an adverse impact on the reliability of projections.

#### *Newly Formed Entities; Lack of Operating History; Incomplete Investment Team*

The prior investment performance of Ancala US or our Ancala UK affiliates can provide no assurance of future results. In addition, there can be no assurance that Ancala US will be able to implement its

investment strategy and investment approach or achieve its investment objective or that an Investor will receive a return of its capital. Most of the investment advisory professionals will not have worked together in the past. In addition, Ancala US is actively seeking to build its team of investment and other professionals. In this regard, only a small portion of the anticipated team members have currently been identified and engaged by Ancala US. Consequently, Ancala US's ability to undertake the investment program described herein will be limited until such team is identified and integrated into its activities.

#### *Public Health Risks and Deteriorating Current Market Conditions*

Countries in which investments operate are susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and, most recently, the COVID-19 pandemic. Prospective Investors should note that the ongoing COVID-19 pandemic, together with, among other related matters, the ensuing global market turmoil, unprecedented global travel restrictions and regional and nationwide quarantines that have been implemented by several governments and the slowing and/or complete stagnation of certain significant European, U.S. and other global businesses and sectors, have led to a market correction in Europe, the U.S. and elsewhere, and have led many market participants and commentators to expect a more sustained economic downturn in Europe, the U.S. and/or globally. The continuing effects of COVID-19 may therefore adversely affect the economy generally and/or a Fund and its ability to achieve its investment objectives. The COVID-19 pandemic (and other outbreaks of infectious diseases in the future) could have a negative impact on the ability to raise capital and/or implement its investment program, as well as on the performance of an investment. To the extent that current conditions continue or worsen, we expect that there will be adverse impacts on the availability of credit to businesses as well as on asset prices and, more generally, the public and private markets, which in each case, could continue to impact the ability to raise capital and/or implement the investment program and may negatively impact the performance of investments.

#### *Regulatory Risk*

Changes in regulation governing the types of assets proposed to invest or changes in more general laws and regulations governing a portfolio company's operating environment, may have an adverse impact on the performance of such assets. Whilst the target investments will focus on regions with stable regulatory environments, investments may be made in assets that are subject to industry specific laws, rules, regulations and/or guidance as well as oversight by governmental or quasi-governmental bodies, institutions or agencies whether at a local, regional, national or supranational level. Changes in laws, rules, regulations and/or guidance, the interpretation thereof or any ambiguity in the application or meaning of any such laws, rules, regulations or relevant guidance may (directly or indirectly) have an adverse impact on investments made and the performance more generally, including the ability to identify suitable investment opportunities.

#### *Reliance on Portfolio Company Management*

Although the AIFM/Manager will monitor the performance of each investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the AIFM/Manager generally intends to invest in companies with strong management or to otherwise implement or develop strong management, there can be no assurance that the management of such companies will operate a company successfully. Furthermore, although the AIFM/Manager will perform a thorough due diligence of compliance with statutory and corporate

requirements, the AIFM/Manager cannot certify that the portfolio company is, and will continue to be, fully compliant with all necessary regulations. This is particularly significant for unlisted companies which are not regulated by the same disclosure and investor protections that apply to listed companies. Investors will not have the opportunity to appoint, remove, or evaluate the performance of, the management team of any portfolio company.

More generally, privately held companies generally maintain less comprehensive financial information than listed companies, therefore the AIFM/Manager may make investment decisions, and monitor such investments, relying on information which is less comprehensive than that available to an investor in a listed company. Furthermore, Investors will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilized by the AIFM/Manager in selecting, structuring, monitoring and disposing of Fund investments.

#### *Risks Regarding Disposals of Investments*

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate, or misleading. These arrangements may result in the incurrence of contingent liabilities for which reserves or escrow accounts may be established.

#### *Sustainability Risk*

Sustainability risks may arise in respect of the Fund's investments. A sustainability risk is an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Fund's investments. Examples of an ESG event or condition include natural or environmental disasters, employee injuries, accidents, fatalities or illness, employee discrimination, and incidences of corruption and bribery. Such events or conditions may occur in a Fund's portfolio companies or more broadly in the economies and markets in which a Fund and/or its portfolio companies operates. Sustainability risks could have a negative effect upon the performance of a Fund's investments and there can be no assurance that a Fund will successfully mitigate sustainability risks.

#### *Taxation Risk*

The returns on a Fund's investments may be impacted by the levels of any taxation levied on flows between the relevant entity and the Fund. Tax law is subject to review and amendment from time to time and there can be no guarantees that the state of affairs existing at the time of a Fund's investment will continue to exist throughout its hold period. Any changes to tax law may impact upon current returns to a Fund and/or to its ability to exit its investment on favourable terms.

#### *Valuation Risk*

The market value of fund investments will generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular industry, the conditions of financial markets and the financial condition of the companies in which investments are

made. Certain fund investments will be investments for which there is no, or a limited, liquid market. As a result, the fair value of such investments may not be readily determinable.

Because such valuations, and particularly valuations with respect to securities of private companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates.

As a result, the fund manager's determinations of fair value may differ materially from the actual values obtainable in an arm's-length sale of such investments to a third party.

A Fund's financial condition and results of operations could be adversely affected if a Fund's fair value determinations were materially higher than the values that the Fund ultimately realises upon the realisation of such investments.

## **Item 9: Disciplinary Information**

Under Item 9, registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of our advisory services or the integrity of our management.

We have no legal or disciplinary events to report.

## Item 10: Other Financial Industry Activities and Affiliations

Ancala US is a subsidiary of Ancala UK, as described in Item 4, above.

Via ownership with Vontobel, it is affiliated with the following investment firms:

Vontobel Holding AG (“Vontobel”)

Vontobel is a global financial services group of companies and a Swiss holding company domiciled in Zurich, Switzerland. VAMUS (defined below) and its affiliates are subsidiaries of Vontobel. Vontobel also owns Bank Vontobel AG, one of Switzerland’s foremost private banks for over 100 years which is also an affiliate of VAMUS. Vontobel Holding AG shares are listed on the SIX Swiss Exchange.

Vontobel Asset Management, Inc. (“VAMUS”)

VAMUS is a SEC registered investment adviser and a wholly owned subsidiary of Vontobel. VAMUS is a global investment management firm headquartered in New York City, NY. VAMUS provides discretionary investment management, advisory, and sub-advisory services to a broad array of institutional and intermediary clients, respectively.

These relationships could create conflicts of interest. For example, Ancala US could be incentivized to make investment recommendations on the basis that doing so is beneficial to the broader Vontobel organization rather than because it is in the best interest of Funds. Ancala US and its affiliates have adopted policies and procedures that are reasonably designed to identify and address these potential conflicts of interest.

Ancala US is also a related person of Ancala UK and its affiliates. Ancala UK and as relevant its affiliates, if applicable, are responsible for the allocation of investment opportunities between Funds, co-investment vehicles thereof, and other pooled investment funds and accounts, none of which are managed by Ancala US (as it provides advisory services solely to Ancala UK). Some of those accounts have investment strategies that partially overlap with the investment strategies of other accounts or may target investments that would exceed any investment restriction or which it would otherwise not be prudent to make on its own. As a general matter and as discussed further in the governing documents of the relevant Funds, the General Partners, or the Manager, will allocate investment opportunities in good faith, based on the applicable investment guidelines of such Fund and such other Funds and accounts, taking into account the sourcing of the transaction, the relative amounts of capital available for investment, principles of diversification, the nature of the prospective investment and the target return profile of such Funds and accounts and other considerations. In allocating co-investment opportunities, the General Partner or Manager will take into account various facts and circumstances they deem relevant. Investing in a Fund does not entitle an Investor to allocations of co-investment opportunities and co-investment opportunities may be offered to some, but not all, Investors. Ancala US does not make such investment allocation decisions.

In addition, Ancala US or affiliates are often involved in overseeing or monitoring the management and operations of portfolio companies, and conflicts of interest could arise from time to time between two

portfolio companies that are owned by different Funds/clients. Moreover, supervised persons of Ancala US or affiliates may serve as directors of portfolio companies from time to time and, in that capacity, could owe fiduciary duties to such portfolio companies. As a result, any such supervised person would have a conflicting division of loyalties with respect to any circumstance where the portfolio company's interests come into conflict with a Fund's interests.

With respect to the aforementioned potential conflicts of interest, Ancala US will promptly report such conflicts to Ancala UK for resolution of such conflicts and resolve them using their best judgment, but in their sole discretion, subject to the terms of the relevant Funds' governing documents, as applicable. However, there can be no assurance that Ancala UK or its affiliates will resolve all conflicts of interest which may arise in a manner that is favorable to a particular Fund or client.

Ancala US has not registered, nor has an application pending to register as a broker-dealer.

Certain personnel of Ancala US are registered representatives of Foreside Financial Services LLC ("Foreside"), a broker-dealer registered with the SEC and a FINRA member firm. Foreside provides certain marketing, private placements, and distribution services to VAMUS and other Vontobel affiliates. Neither the broker-dealer nor any of its registered persons receive compensation from the purchase or sale of securities or investments. Our compensation is derived from fees / compensation received in connection with our advisory arrangement with Ancala Partners. Ancala US does not use Foreside for trade execution and/or for any other broker-dealer associated services.

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

Ancala US offers advisory services solely to Ancala UK and its affiliates pursuant to the SLA, and act in that limited capacity, on a non-discretionary basis. However, due to the activities of our affiliates, we seek to continuously identify and monitor various conflicts of interest. A conflict of interest arises when Ancala US and/or its employees have an incentive to serve one interest at the expense of another, which might mean serving the interest of Ancala US over that of our clients, serving the interest of one client over that of another, or an employee or group of employees serving their own interests over those of the firm or its clients.

For the purpose of identifying conflicts of interest that may arise during the course of providing investment advisory services to clients, we consider whether our employees or clients are directly or indirectly likely to:

- Make a financial gain or avoid a financial loss at the expense of another client;
- Have an interest in the outcome of a service provided to a client or in a transaction carried out on behalf of the client, which is unrelated to the client's interests;
- Have a financial or other incentive to favor the interest of one client or group of clients over the interest of another client or group of clients; and,
- Receive from a person other than the client an inducement in relation to the service provided to the client, in the form of money, goods, or services, other than the standard fee for that service.

We have discussed certain potential conflicts of interest and how we manage them in other Items of this Brochure. The following describes various other conflicts and how we manage them.

### **Code of Ethics and Personal Trading**

Pursuant to Rule 204A-1 of the Advisers Act we have adopted a written Code of Ethics ("Code") as part of our overall policies and procedures that applies to all of our employees. The Code is designed to ensure that our employees comply with applicable federal securities laws and place the interests of clients first in conducting business. It enforces the firm's values, high level of business and ethical standard, and ongoing commitment to address or mitigate potential conflicts of interest. Compliance with the Code is a condition of employment for all employees. The code of ethics addresses a variety of important matters, including employee's standard of conduct, personal securities transactions, outside business activities, gifts and entertainments, and political contributions. Compliance with the Code is a condition of employment for all Employees. The Code will be provided upon request by contacting us at (212) 364-5110 and/or [ancala.us.compliance@ancala.com](mailto:ancala.us.compliance@ancala.com).

In general, the personal trading rules under the Code require employees disclose and report security accounts and holdings in reportable securities, as defined in the Code, initially upon hire and annually thereafter. Employees are also required to report quarterly trades and transactions in reportable securities and that all such transactions be pre-approved and monitored by Compliance personnel, including those issued in private placements. The Code also prohibits certain types of trading activity, such as insider trading or trading while in possession of material non-public information, short-term and speculative trades, and investing in initial public offerings. Certain employees defined as



“Investment Personnel” are prohibited from executing personal trades in a security seven business days before and after a client or fund managed by Ancala US transacts in that security or similar instrument.

In addition to the personal trading rules, the Code sets forth general guidelines and restrictions concerning confidential and proprietary information, and requirements for reporting violations of the Code.

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

Due to the nature of the investments by Ancala, employees would not typically be involved in buying or selling the same securities or investments. We are aware that potential conflicts of interest may arise if employees prioritize their trades over those of clients, exploit their access and knowledge about pending or currently considered securities transactions for clients for personally gain, or engage in trading practices that manipulate markets for their own benefits.

Employees may invest in separately managed accounts through third-party investment advisers using model portfolios provided by certain affiliates and do not invest in private infrastructure deals such as those targeted by Ancala. The third-party managers have discretion over the investments in these accounts and the employees cannot direct the execution of specific transactions.

As previous noted, Ancala US has adopted a Code of Ethics to address such conflicts which includes pre-clearance of personal trades, prohibitions, and restrictions for certain types of trading activity.

### **Conflicts Related to Advisory Activities**

Ancala US manages conflicts with its employees investing for their personal accounts by requiring that any transaction be made in compliance with the Code. Additionally, we have developed a governance structure to ensure our investment activities are consistent with our obligation to put the client’s interest first. We believe that our governance structure, Code, policies and procedures, and transparency through client disclosure helps with the mitigation of these conflicts.

### **Potential Conflicts Relating to Valuation**

Ancala US is paid pursuant to the SLA, discussed in Item 5, which is not tied to the valuation of any assets that it provides investment advisory services on.

Certain personnel of Ancala US participate in the Valuation Committee of the client. Such persons also hold interests in some of the Funds or otherwise participate in the carried interest in certain Funds or other investment vehicles of the Client. Such interests are calculated on a valuation based internal rate of return as part of the performance assessment by the client. This participation in valuation and ownership or profits interests give rise to potential conflicts of interest. We and our client have in place governance structure, policies and procedures to mitigate potential conflicts. In addition, no Ancala US personnel have controlling decision making authority in relation to such valuations.

## **Conflicts Related to Business Relationships with other Financial Services Firms and Service Providers**

Ancala US has a variety of business relationships with other financial services firms, (inclusive of affiliates) and service providers and the relationships could raise potential conflicts of interest when assessing / recommending such advisors or service providers to our client(s). as we may have a financial incentive to recommend such a service provider / advisor over another with whom we have no business relationship. In particular, Ancala US is paid by its affiliate Ancala UK to provide investment advice to it in relation to funds managed by Ancala UK. The receipt of this fee for services raised potential conflicts of interest as discussed in the preceding section. To mitigate these conflicts of interest, we have adopted policies and procedures to ensure we uphold our fiduciary duty to put our clients' interest first and to govern the selection of key service providers.

## **Trade Errors and Omissions**

Ancala US does not generally trade in listed securities. The focus is providing investment advice in relation to private infrastructure assets, therefore trade errors are not considered a primary risk. However, when we are deemed responsible for an error, we will work to correct trading errors affecting client accounts in a fair and timely manner.

## **Cross Trading**

A "cross transaction" occurs when an adviser arranges a transaction between different advisory clients where they buy and sell securities or other instruments from, or to each other. For example, in some instances a security to be sold by a Fund may independently be considered appropriate for purchase by another Fund. Ancala US has only one client, Ancala UK and does not "cross" or transfer directly between Ancala UK's clients or its clients and clients of an advisory affiliate.

We have adopted a written Code of Ethics pursuant to Rule 204A-1 of the Advisers Act that is applicable to all supervised persons. The Code of Ethics sets forth a standard of conduct that requires supervised persons, among other things, to act at all times in accordance with our fiduciary duty to the Funds and with all applicable U.S. federal securities laws. All supervised persons are expected to act with competence, dignity, integrity, and in an ethical manner, when dealing with Funds, the public, prospects and third-party service providers. Supervised persons should use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting the Adviser's services, and engaging in other professional activities. Additionally, the Code of Ethics includes procedures governing employees' personal trading activities, including requirements for employees to obtain prior approval before trading certain financial instruments and to periodically report their personal securities holdings and transactions, as well as certain other procedures intended to mitigate potential conflicts of interests associated with employees' personal trading. Employees are required to report all known or suspected violations of the Code of Ethics to our Chief Compliance Officer. A copy of the Code of Ethics may be requested by contacting us at the address or telephone number on the cover page of this Brochure.

Employees are required to pre-clear any investments in private placements and we do not expect that any such request would be approved with respect to an investment that could be considered for

investment by any Fund. Notwithstanding the foregoing, employees could hold investments that may stand to benefit from or that could conflict with the investment activity of the Funds. Our Code of Ethics strictly prohibits employees from making personal investments that are inconsistent with our fiduciary duty and requires them to notify the Chief Compliance Officer upon becoming aware of any potential conflict of interest.

Certain investment professionals of the Adviser and certain employees of its related persons will have a material financial interest in the investments of the Funds through their participation in carried interest vehicles and co-investment vehicles. Each Fund's governing documents contain provisions addressing potential conflicts of interest involving the General Partners, Managers and their related persons, including the allocation of investment opportunities. In addition, as discussed herein, the Adviser's supervised persons are subject to policies and procedures relating to conflicts of interest.

We do not engage in principal transactions (i.e., transactions in which a proprietary account of Ancala US or a related party transacts directly with a Fund). As a general matter, we also do not engage in cross transactions (i.e., transactions in which one Fund transacts directly with another Fund); however, we would consider doing so if we were to determine that it was in the best interest of the relevant Funds. In that instance, we maintain written policies and procedures to ensure that any cross transactions are effected in a manner that is consistent with our fiduciary duty as well as the applicable Fund governing documents.

## **Item 12: Brokerage Practices**

As noted in Item 4 above, we invest primarily in the securities of private companies and do not expect to effect transactions through broker-dealers. In the event Ancala US ever participates in public market activity where Ancala US has discretion over brokerage selection, we will seek best execution for the Funds and will negotiate and diligence any brokers or agents they engage in association with the liquidation of a Fund.

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

Ancala US is not directly responsible for the review of the investment activities of the Funds or clients of Ancala UK. Ancala UK and its affiliates perform all such reviews and provide all related reports in accordance with the relevant Fund's governing documents. However, we monitor certain investments as well as the overall portfolio of investments as designated by Ancala UK on a regular basis.

The monitoring of delegated investments or portfolio companies by us involves regular discussions with Portfolio Company management teams. Any material governance issues or corporate actions are discussed with the Investment Committee of Ancala UK, where required. In relation to designated Portfolio Companies, Ancala US will receive regular management accounts from the underlying investments (including reporting on financial and operational performance as well as ESG matters). In addition to regular board meetings, members of the relevant asset oversight team maintain a close relationship with the management of the Portfolio Company and receive regular informal updates on the performance of and risks faced by the Portfolio Company.

We provide written updates on Portfolio Company activities and performance on a quarterly basis to Ancala UK and subsequently investors of the relevant Funds and managed accounts.

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

We do not receive any compensation or other economic benefits from anyone other than Ancala UK under the SLA for providing investment advice or other advisory services. Ancala US does not compensate any person for client or Investor referrals, nor does Ancala US receive any fees or compensation based on client or investor referrals for placement with Ancala UK. However, our affiliates have engaged placement agents that are compensated for Investor referrals, including with respect to Investors referred to the Funds that are clients of Ancala UK. These arrangements provide for the placement agent to receive fee, which is typically a percentage of any commitments made by the Investors referred by them.

## **Item 15: Custody**

We will be deemed to have “custody” for purposes of Rule 206(4)-2 under the Advisers Act over a Funds’ cash, securities, and other assets as a result of our affiliation with the General Partner of each Fund and the General Partner’s ability to access Fund assets. Most, if not all, of the Funds’ investments are expected to be interests in private companies that are not required to be maintained at a custodian pursuant to Rule 206(4)-2. All other assets, including cash, securities, and other instruments will be maintained with unaffiliated qualified custodians, such as banks.

## **Item 16: Investment Discretion**

All of our investment recommendations are non-discretionary and are subject to the approval of Ancala UK's Investment Committee or relevant affiliates in accordance with the relevant Client or Fund governing documents. Certain personnel of Ancala US are members of the Ancala UK Investment committee, but such personnel do not have sole discretion or veto power.



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

Due to the nature of the investments that we make, we do not expect to vote proxies in the ordinary course of business. However, in the event that any of a Fund's investments issues a proxy proposal, amendment, consent, or resolution relating to the securities owned by a Fund, the General Partner or Manager will vote such proxies in consideration of all relevant factors at the time of the proxy vote.

## **Item 18: Financial Information**

We do not require or solicit prepayment of fees six months or more in advance, nor are we aware of any financial condition that is likely to impair our ability to meet contractual commitments.