

## **Part 2A of Form ADV: Firm Brochure**

### **OPTO INVESTMENT MANAGEMENT, LLC**

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**This Investment Adviser Brochure (this “*Brochure*”) provides information about the qualifications and business practices of Opto Investment Management, LLC (“Opto IM”). If you have any questions about the contents of this Brochure, please contact us at (929) 499-9817. 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.**

Opto IM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser does not imply a certain level of skill or training.

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

## **Item 2. Material Changes**

Since our last ADV annual amendment Opto IM has changed its name from Lonsdale Investment Management LLC to Opto Investment Management, LLC.

## Table of Contents

Item 2. Material Changes .....	2
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 .....	9
Item 9. Disciplinary Information .....	12
Item 10. Other Financial Industry Activities and Affiliations .....	13
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.	13
Item 12. Brokerage Practices .....	14
Item 13. Review Of Accounts.....	15
Item 14. Client Referrals And Other Compensation .....	15
Item 15. Custody .....	15
Item 16. Investment Discretion .....	15
Item 17. Voting Client Securities.....	16
Item 18. Financial Information .....	16

#### Item 4. Advisory Business

Opto Investment Management, LLC, a Delaware limited liability company ("Opto IM" or the "Adviser"), has established and manages an entity intended to operate as an in house proprietary financial product warehouse (the "Warehouse") in order to serially make, indirectly through special purpose vehicles formed by the Warehouse (the "Opto SPVs"), ongoing capital commitments to (or otherwise obtain a right of first refusal on or acquire an investment in) underlying private equity, venture capital, real estate and other private investment programs and/or funds (the "Underlying Funds"), with the intent to subsequently syndicate interests in the Opto SPVs to certain qualified investors represented by financial intermediaries, including investment advisers and/or brokers, that act as participants (the "Platform Participants") on the private markets platform sponsored and managed by Opto Investments, Inc. (the "Opto Platform"), as well as certain other bona fide third-party investors (collectively, the "Investors"). The Adviser was formed in 2021, and is wholly owned by its parent entity, Opto Investments, Inc. ("Opto").

The Adviser's primary advisory services involve identifying fund managers (the "Underlying Managers") in various alternative investment strategies offering investment capacity in their respective Underlying Funds; negotiating the terms of such investment capacity with the Underlying Managers; forming the Opto SPVs and managing, directly or indirectly through an affiliated managing member or general partner entity (the "Opto GPs"), the Warehouse's indirect investment in the Underlying Funds through the Opto SPVs; sponsoring the syndication of interests in the Opto SPVs through the Platform Participants; and managing, directly or indirectly through the Opto GPs, the Opto SPVs and their investments in the Underlying Funds.

Currently, each Opto SPV is formed for the purpose of subsequently syndicating interests therein as described above, such that third-party Investors collectively assume and fund the Warehouse's entire capital commitment to the Opto SPV (and, indirectly, the Opto SPV's entire capital commitment to the applicable Underlying Fund), in the event that Investors do not so assume all or any portion of the Warehouse's capital commitment to an Opto SPV, the Warehouse generally intends to retain ownership of the un-syndicated interest, if any, in the Opto SPV and remain obligated to fund its remaining corresponding capital commitment thereto, pari passu with the Investors in the Opto SPV. Likewise, if an Investor assumes all or any portion of the Warehouse's capital commitment to an Opto SPV, it is generally expected that the Warehouse will no longer be obligated to fund, and will be released from, such assumed portion of its initial capital commitment to the Opto SPV.

The Adviser's investment advice is provided directly to the Opto SPVs, subject to the discretion and control of the applicable Opto GPs, and not individually to the investors in the Opto SPVs. Generally speaking, each of the Opto SPVs is exempt from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and, currently, the Opto SPVs' securities are not registered under the Securities Act of 1933, as amended (the "Securities Act"). Each Opto SPV is managed in accordance with its respective offering

disclosures as detailed in a confidential private placement memorandum (the “PPM”) and constituent documents.

Each Opto SPV is managed by Opto IM only in accordance with its own investment objectives and restrictions and will not be tailored to any particular Investor in the Opto SPV. Because Opto IM does not provide individualized advice to Investors, Investors (and their advisers) are responsible for making a determination as to whether an investment in an Opto SPV is appropriate for them. Investors should consider whether a particular Opto SPV meets such Investor’s investment objectives and risk tolerance prior to investing therein. Prospective Investors should carefully review the applicable PPM and constituent documents of any Opto SPV prior to making any investment therein.

### ***Custom Funds***

Opto IM also offers custom white label fund structures (“Custom Funds” and together with the Opto SPVs the “Opto Funds”) to certain Platform Participants that they can offer directly to their clients. Opto IM’s involvement in operations and management of each Custom Fund will vary depending on the services agreed with the relevant Platform Participant.

### ***Assets Under Management***

As of August 31, 2024, Opto IM has regulatory assets under management of \$215,904,857, of which \$190,342,536 are managed on a discretionary basis and \$25,562,321 are managed on a non-discretionary basis.

## **Item 5. Fees and Compensation**

In general, Opto IM (or the applicable Opto GP) receives payment from each Opto Fund of a management fee and, potentially, distributions of carried interest, if contemplated under the Opto Fund’s constituent documents.

### ***Management Fees of Opto Funds***

Typically, each Opto Fund bears a management fee, calculated and payable quarterly in advance pursuant to the applicable investment management agreement, equal to the aggregate management fee assessed with respect to its Investors (excluding the Warehouse) under the Opto Fund’s constituent documents and as described in its PPM. The management fee rate chargeable to an Opto Fund is set forth in the relevant PPM and currently ranges up to 1.3% per annum, a portion of which may be shared with the relevant Platform Participant. Investors in a non-US Opto Fund may pay an additional 0.5% management fee. The management fee is charged, during the investment period of the Underlying Fund, based on each Investor’s capital commitment to the Opto Fund, and thereafter, based on such Investor’s indirect share of the investments in the Underlying Fund still held by the Opto Fund, plus reserves to answer capital calls by the Underlying Fund. Notwithstanding the foregoing, Opto IM, in its sole and absolute discretion, may elect to waive, otherwise reduce or calculate

differently the management fee attributable to any Investor and may share all or any portion of the management fee with any affiliate or third-party.

### ***Carried Interest of Opto Funds***

With respect to certain Opto Funds, Opto IM or its affiliates may be entitled to receive a carried interest, which may be subject to a preferred return and catchup. The carried interest distributable with respect to an Opto Fund, if any, will be as described in its PPM and set forth in its constituent documents.

Carried interest compensation may create an incentive for Opto IM and the related Opto GP to make decisions regarding an Opto Fund's investment in an Underlying Fund differently than if such compensation were not received.

### ***Management Fees and Carried Interest of Underlying Managers***

In addition to bearing a management fee and carried interest at the level of the Opto Fund as described above, each Opto Fund, as an investor in the applicable Underlying Fund, is generally subject to its share of the fees, costs and expenses (including any applicable management fees and carried interest) charged by the Underlying Fund to its investors, as described in its confidential private placement memorandum or other offering documents (collectively, the "Underlying Fund PPM").

The fees and expenses of the Underlying Fund include an annual asset-based management fee, calculated at a rate of between 1% - 2%, and a carried interest entitlement ranging from 10% - 25% of the profit distributions of the Underlying Fund, in each case payable to the applicable Underlying Manager or its affiliates. In respect of the Underlying Funds that are private equity or real estate funds, their constituent documents are also expected to include preferred return and catch-up distribution provisions. In addition, each Opto Fund will indirectly bear its pro-rata share of all organizational and operational expenses payable by investors in the applicable Underlying Fund.

Moreover, certain Underlying Funds may offset the amount of management fees payable by its investors (including an Opto Fund invested therein) by all or a portion of the amount of certain transaction fees, break-up fees, commitment fees, underwriting fees, monitoring fees, consulting fees, directors' fees, advisory fees, closing fees and other similar fees received and retained by the applicable Underlying Manager (or its affiliates) in respect of such Underlying Fund and its portfolio investments. Investors should refer to the applicable Underlying Fund PPM for disclosure regarding the fees and expenses to which an Opto Fund, as an investor therein, would be subject in connection with its investment in the Underlying Fund.

For the avoidance of doubt, each Opto Fund's share of the organizational and operating expenses (including the management fees and carried interest) of the applicable Underlying Fund will be in addition to, and will not reduce, the organizational and operating expenses (including the management fees and carried interest) of the Opto Fund.

### ***Organizational and Operating Expenses of Opto Funds***

Each Opto Fund generally bears all of its organizational and offering expenses (including costs and expenses related to travel, printing, legal, capital-raising, accounting, regulatory compliance, and any administrative or other filings) incurred in connection with the Warehouse's organization, funding and establishment of the Opto Fund, and Opto IM's subsequent syndication of interests in an Opto SPV.

In addition, while the Adviser, the Warehouse or their respective affiliates have initially incurred and assumed responsibility for the fees and expenses associated with the due diligence of, selection, and negotiations with the applicable Underlying Fund regarding the Opto Fund's investment therein, and any other transaction costs associated with its capital commitment thereto (including any associated financing charges or payments to any third-parties, such as investment consultants, due diligence firms, placement agents, or other financial advisors, for their services to the Warehouse, including overhead expenses, facilities expenses, taxes, and compensation of their employees), such fees and expenses are reimbursable to the Adviser, the Warehouse or such affiliate and treated as organizational expenses of the Opto Fund.

Each Custom Fund will similarly bear its own organizational and offering expenses incurred in connection with its organization, funding and establishment. The amount of such expenses payable to Opto IM will vary based on the specific services Opto IM provides to such Custom Fund.

An affiliate of Opto IM provides access to proprietary software and portal, for which it does not currently charge any fees, but expects to impose a technology fee at a future date to the extent permitted by the relevant Opto Fund governing documents. Accordingly, any Investors admitted to the relevant Opto Funds will bear their share of such fees and expenses in accordance with their constituent documents and as described in the relevant PPM. In the case of Custom Funds, such fee may be borne by the relevant financial intermediary pursuant to Opto IM's agreement with such intermediary.

Opto IM will pay all its own overhead expenses, including its employees' salaries, rent, utilities, etc.

### ***Organizational and Operating Expenses of Underlying Funds***

Each Underlying Fund generally bears its organizational and offering expenses, as described in its Underlying Fund PPM. Correspondingly, as an investor in the applicable Underlying Funds, each Opto Fund bears its ratable share of such fees and expenses, including any management fees, carried interest and other fees and expenses charged by the Underlying Fund to its investors, as described in the applicable Underlying Fund PPM.

Thus, in addition to bearing their share of the organizational and operating expenses of the relevant Opto Fund, Investors will indirectly also bear their shares of the organizational and

operating expenses of the applicable Underlying Funds, resulting in a layering of fees and expenses. Consequently, while it is anticipated that the Opto Funds will invest substantially all of their investable capital in Underlying Funds, an Opto Fund's performance will not be identical to the returns achieved by the applicable Underlying Funds. Rather, the costs and expenses applicable to an investment in an Opto Fund itself (including the management fees and any carried interest) will necessarily cause the Opto Fund to underperform the applicable Underlying Fund. In addition, a variety of other factors may cause deviations between the performance of the Opto Fund and the applicable Underlying Fund, including, but not limited to, the size of the Opto Fund's cash reserve that is not invested in the Underlying Fund.

Prospective Investors should carefully review the Underlying Fund PPM of the applicable Underlying Fund to understand its organizational and operating expenses.

### ***Fees Charged by Platform Participants***

Platform Participants may receive a carried interest from Investors and/or charge Investors fees for managing their assets. They may or may not waive asset management fees for Investor assets invested in an Opto Fund. As these fees are not related directly to an investment in an Opto Fund, they will not be addressed in the relevant PPM. Investors should consult with any Platform Participant with which they have a relationship regarding the total amount of fees they will pay and any waivers.

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

As described in Item 5, Opto IM is expected to be entitled to receive carried interest from certain Opto Funds, which will be borne indirectly by their respective Investors. Performance-based compensation such as carried interest may create an incentive for Opto IM and the related Opto GP to make decisions regarding an Opto Fund's investment in an Underlying Fund differently than if such compensation were not received. Opto IM may also have an incentive to allocate Underlying Funds that are expected to have a higher return to Opto Funds that have a higher carried interest than others. Opto IM endeavors to make allocations in a manner to treats all clients fairly over time.

In addition, each Opto Fund, as an investor in the applicable Underlying Fund, bears its pro rata share of management fees, carried interest or other fees, costs and expenses charged by an Underlying Fund to its investors. Prospective Investors should carefully review the applicable Opto Fund's PPM and the applicable Underlying Fund PPM for further details and methods of calculating the fees, costs and expenses (including carried interest) chargeable in relation to such Opto Fund and Underlying Fund, respectively.

### **Item 7. Types of Clients**

Opto IM provides investment advisory services to the Warehouse and the Opto Funds and may in the future provide advice to other funds or advisory clients. Each of the Opto Funds is

expected to be exempt from registration under the Investment Company Act, and its securities are not expected to be registered under the Securities Act.

Interests will only be offered through Platform Participants to a limited number of financially experienced and sophisticated eligible investors who are able to bear the risk of an investment in an Opto Fund and who meet the requirements set forth in its PPM. Interests in an Opto Fund generally may only be purchased by investors who are: (i) “accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act, (ii) “qualified clients” as defined in Rule 205-3 of the Advisers Act, and, in certain cases, (iii) “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act, and, in each case, who meet any additional eligibility and/or suitability requirements set forth in the subscription agreement of the Warehouse (as amended, supplemented or otherwise modified from time to time, the “Subscription Agreement”). Complete definitions of “accredited investor” and “qualified clients,” and “qualified purchasers” are set forth in the Subscription Agreement.

Investors in the Opto Funds are expected to include high net worth individuals, family offices, estate planning vehicles, as well as certain financial institutions (e.g., corporations, endowments, foundations, etc.) which satisfy the investor qualification requirements of the applicable Opto Fund. However, Opto IM does not have a direct relationship with Investors, rather Platform Participants have the direct relationship with the Investors they bring to the Opto Funds.

Opto IM or an Opto Fund may enter into side letter or similar agreement from time to time with one or more Investors which provides such Investors with additional or different rights (including, without limitation, preferential rights regarding management fee calculation or payability, withdrawals, enhanced information or reporting, access to co-investments, minimum capital commitment amounts, etc.). Opto IM will not be required to notify or obtain the consent of any other Investors in any Opto Fund regarding such side letters or other agreements, nor will Opto IM be required to offer any such additional or different rights to any such other Investors.

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

### ***General***

The investment objective of the Warehouse is to serially make, indirectly through Opto Funds, ongoing capital commitments to (or otherwise obtain a right of first refusal on or acquire an investment in) Underlying Funds, with the intent to subsequently syndicate interests in the Opto Funds to certain qualified Investors represented by Platform Participants on the Opto Platform. As such, the primary purpose of an Opto Fund is to provide Investors with the opportunity to gain indirect investment exposure to the applicable Underlying Fund. In the case of the Custom Funds, the relevant financial intermediary may have some or complete discretion over the Underlying Funds in which a Custom Fund invests or may give Opto IM discretion over investments. Accordingly, it is anticipated that all of the investment

performance of a given Opto Fund will be attributable to the portfolio performance of the applicable Underlying Fund.

### ***Diligence of and Engagement with Underlying Managers***

Opto IM engages in a multi-faceted research and due diligence process customized for each industry and manager on its platform. In addition to leveraging the skills and experience of its internal team, Opto IM may use a wide variety of third-party data and research providers specializing in alternative investments and private markets.

In general, Opto IM begins with a top down view on certain sectors and then uses its network and resources to identify managers who it believes can best execute on target investment strategies. From these sourcing mechanisms, Opto IM screens managers on a variety of criteria, including quality of team, performance, length of track record, operational infrastructure and ability to execute on their strategy going forward. The Opto IM team holds regular meetings to review and screen managers in its pipeline and determine whether to perform a full due diligence review. After meeting with multiple top investment managers, Opto IM will identify high-priority investments for the platform.

If a manager passes the initial screening process, the Opto IM investment team will conduct detailed investment and operational due diligence on the manager and strategy including, but not limited to a detailed review of prior performance, team, terms, fees, and operational capabilities. Additionally, Opto IM may engage with external due diligence providers to supplement its internal process. After conducting a thorough review of investment opportunities, Opto IM will memorialize key findings in an investment committee memorandum for discussion with its internal investment committee.

The investment committee meets on a regular basis to discuss and review investments prior to finalizing an investment decision. The Opto IM investment committee must unanimously approve any investment decision.

Opto IM may or may not be responsible for due diligence on Underlying Funds in a Custom Fund, depending on the services agreed with the relevant financial intermediary.

### ***Certain Risks of Investment***

Potential Investors should carefully consider the risks of an investment in an Opto Fund prior to any investment therein, including the risks outlined below and in the applicable PPM, as well as the risks outlined in the applicable Underlying Fund PPM.

An investment in any Opto Fund is speculative and involves a high degree of risk and should not be considered a complete investment program. Investors should be aware that an investment in an Opto Fund is illiquid and is suitable only for investors who can afford to lose the entire amount of their investment.

*Potential Loss of Capital.* Investors may lose all, or substantially all, of their investment in any Opto Fund. Investments in an Opto Fund are exposed to a substantial risk of the loss of capital.

*Business Risks.* Each Opto Fund's investment portfolio is generally expected to consist of an investment in a single, or at most several, Underlying Funds, which in turn are each expected to invest in only a few privately held companies. Operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Illiquidity; Lack of Current Distributions.* An investment in an Opto Fund is an illiquid and long term investment. It is uncertain as to when profits, if any, will be 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.

*Leveraged Investments.* An Opto Fund may incur or guarantee indebtedness and provide other credit support, including for the purposes of guaranteeing obligations, to make contributions to the applicable Underlying Fund, or otherwise in connection with the Opto Fund's investment activities, or providing interim financing to the extent necessary to consummate the purchase of investments prior to the completion of the permanent debt financing therefor.

An Opto Fund may enter into one or more credit facilities to provide the Opto Fund with additional capital. Such credit facility or credit facilities are expected to be secured by the assets of the Opto Fund, and Opto IM or the applicable Opto GP may make a collateral assignment to any lender or other credit party of the Opto Fund of the rights, titles, interests, remedies, powers, privileges of the Opto Fund and/or the Opto GP with respect to the capital commitments and capital contributions of its Investors. It is anticipated that proceeds from any investment may be used to repay or satisfy amounts outstanding under any such borrowings (whether or not related to such investment).

*Limited Transferability of Fund Interests.* There will be no public market for an Opto Fund's interests, and none is expected to develop. There are substantial restrictions upon the transferability of any Opto Fund's interests under its constituent documents and applicable securities laws. In general, withdrawals of Opto Fund interests generally are not permitted. In addition, Opto Fund interests generally are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for investments made by an Opto Fund, and hence, it is anticipated that the investments of an Opto Fund will be difficult to value. Certain investments may be distributed in kind by an Opto Fund to its Investors, and it may be difficult to liquidate the securities received at a price or within a period acceptable to such Investors. After a distribution of securities is made to such Investors, certain Investors 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 Investors may be lower than the value of such securities

determined pursuant to the constituent documents of the applicable Opto Fund, including the value used to determine the amount of any carried interest available to Opto IM with respect to such investment.

*Projections.* Projected results of an Underlying Fund in which an Opto Fund invests are typically expected to be based on, among other things, internal financial projections prepared by the applicable Underlying Manager. In all cases, projections are only an estimate of future results that are based upon information received from third parties as of a certain date and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Conflicting Investor Interests.* An Opto Fund's Investors may have conflicting investment, tax, and other interests with respect to their investments in the Opto Fund. Conflicts may arise in connection with decisions made by Opto IM regarding an investment that may be more beneficial to certain Investors than others, especially with respect to tax matters. In structuring, acquiring and disposing of investments by Opto Funds in Underlying Funds, Opto IM generally will consider the investment and tax objectives of the applicable Opto Fund, not the investment, tax, or other objectives of any Investor individually.

### ***Certain Conflicts of Interest***

Potential Investors should carefully consider the conflicts of interests associated with an Opto Fund prior to any investment therein, including the conflicts of interest outlined below, as well as the conflicts of interest described in the applicable Underlying Fund PPM.

The risks and conflicts of interest described in the Underlying Fund PPMs with respect to the Underlying Funds and an investment therein apply generally to the Opto Funds and the interests therein. Moreover, without limiting the application or generality of the foregoing, each Opto Fund generally will be a newly formed entity (i) that will not be registered under the Investment Company Act, (ii) that will issue illiquid securities that are not registered under the Securities Act or any other laws, (iii) that will not register under the Exchange Act of 1934, as amended, (iv) the interests of which will be subject to restrictions on transfer and will have no public market, (v) which are not anticipated to be permitted to make full or partial withdrawals from the Underlying Funds pursuant to the terms of the Underlying Funds' constituent documents (except in very limited circumstances) and (vi) with respect to which, investors may lose the entire amount of their investment. The investment returns of the Opto Funds will depend almost entirely on the performance of the Underlying Funds and there can be no assurance that the Underlying Funds will be able to achieve their respective investment objectives or avoid substantial or complete losses.

While each Opto Fund will be an investor in the applicable Underlying Fund, the Investors in the Opto Fund will not themselves be equity holders of the Underlying Fund and will have no standing to enforce any rights directly against the Underlying Fund or its Underlying Managers

or assert claims directly against the Underlying Fund or the Underlying Managers or any of their respective affiliates. An Investor in an Opto Fund will have only those rights provided for in its constituent documents. Neither Opto IM nor the applicable Opto GP has any control or management authority over the applicable Underlying Fund or its Underlying Managers. Conversely, none of the Underlying Funds or Underlying Managers have any control or management authorities over Opto IM, the Opto Funds or the Opto GPs.

Moreover, the terms of the constituent documents of the Underlying Funds are subject to change without the control or consent of Opto IM, the Opto GPs or the Opto Funds. In certain cases, the Underlying Manager of an Underlying Fund will have the right to make amendments to the Underlying Fund's constituent documents without obtaining the consent of the investors therein (including any Opto Fund). Further, no assurance can be given that a required majority in interest of the investors of an Underlying Fund (possibly excluding any Opto Fund) will not further amend the constituent documents of such Underlying Fund in a manner prejudicial to the interests of any Opto Fund invested therein.

In facilitating indirect investment in an Underlying Fund by causing the Warehouse to form and make a capital commitment to the applicable Opto SVP, and then syndicating interests in the Opto Fund to Investors or providing management and/or operational services to the Custom Funds, neither Opto IM nor any Opto GP nor any of their respective affiliates is providing investment advice or making any recommendation as to the advisability of an investment in the Underlying Funds. Further, none of Opto IM, the Opto GPs, or any of their respective affiliates or personnel are required to devote all or any specified portion of their time to managing an Opto Fund's affairs, or from engaging in any other business activities, whether or not competitive with an Opto Fund.

Each prospective Investor in an Opto Fund should carefully review its PPM and constituent documents, as well as the applicable Underlying Fund PPM, and consult with such Investor's own counsel and advisors as to all legal, tax, financial and related matters concerning a potential investment in the Opto Fund.

#### **Item 9. Disciplinary Information**

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

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

As disclosed elsewhere in this Brochure, affiliated entities that are owned and controlled by Opto generally serve as the general partner for the Opto Funds.

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

The Adviser has adopted the Opto IM Code of Ethics (the "Code"), which sets forth standards of conduct that are expected of employees and addresses conflicts that arise from personal

trading. The Code requires certain Opto IM personnel to report their personal securities transactions. Opto IM personnel may not directly or indirectly acquire beneficial ownership or dispose of securities involving an initial public offering, private placement or certain securities held in any client account without first obtaining approval from the Adviser's Chief Compliance Officer (the "CCO"), which is good for a limited period of time. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Opto IM and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Opto IM and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Opto IM.

Accordingly, should Opto IM or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public companies, Opto IM generally would be prohibited from communicating such information to clients, and Opto IM will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Firm personnel serving as directors of public companies and may restrict trading on behalf of clients, including an Opto Fund.

Employees of Opto IM and its affiliates may directly or indirectly own an interest in one or more Opto Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies or fund investments as an Opto Fund. Co-invest opportunities may also be presented to certain affiliates of the Adviser, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company.

Opto IM and its affiliates, Founders and Employees may carry on investment activities for their own account and for family members, friends or others who do not invest in an Opto Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Opto Fund, even though their investment objectives may be the same or similar.

## **Item 12. Brokerage Practices**

With respect to the investment activities of Opto Funds, Opto IM generally does not anticipate making investments in securities listed on national exchanges. However, in the limited situation where an Opto Fund is allocated a listed security and needs to place trade(s) through a broker, Opto IM will seek "best execution" in light of the circumstances involved in the

transaction. In selecting a broker for any such transaction, Opto IM expects to consider a variety of factors, including, without limitation, a broker's market reputation, financial strength and stability, efficiency of execution and error resolution, net price or spread, market access, and the size of the transaction. In seeking to achieve best execution, Opto IM will not be obligated to obtain the lowest commission or best net price for an Opto Fund in respect of any particular transaction.

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

The investments made by the Opto Funds currently are private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, on an on-going basis, Opto IM monitors the performance of Underlying Funds in which the Opto Funds invest.

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

Opto IM does not currently compensate any third parties for client or Investor referrals, but may do so in the future.

#### **Item 15. Custody**

Under "custody rule" of the Advisers Act, investment advisers with "custody" of client funds and securities must maintain them with "qualified custodians," unless such advisers have custody of only certain privately offered securities. The term "qualified custodians" under the amended rule include certain banks and savings associations and registered broker-dealers.

With respect to investment advisers to a fund-of-funds, which the Opto Funds qualify as, compliance with the custody rule may be satisfied under so-called "audit exception" to the custody rule by: (i) having each Opto Fund audited at least annually by an independent registered public accounting firm which is registered with the public company accounting oversight board; and (ii) distributing audited financial statements prepared in accordance with GAAP to all its Investors within 180 days of the end of its fiscal year. Accordingly, each Opto Fund that qualifies as a fund-of-funds under the custody rule, Opto IM or the applicable Opto GP will generally distribute the audited financial statements of such Opto Fund within 180 days of the end of the fiscal year to its Investors.

#### **Item 16. Investment Discretion**

Opto IM and the Opto GPs generally have discretionary authority to make investment decisions for the Opto SPVs and may have some or complete discretion over investments in a Custom Fund. In each case, such authority is limited by Opto IM's internal policies and procedures and each Opto Fund's specific investment guidelines, if any, and other terms and conditions described in the applicable PPM and constituent documents.

**Item 17. Voting Client Securities**

Opto IM does not anticipate that the Warehouse or the Opto Funds will own any equity securities granting Opto IM or the Opto GPs the right to vote proxies. Investors in any Opto Fund will not be equity holders of the applicable Underlying Fund and will have no voting rights with respect to the Underlying Fund. To the extent Opto IM or any Opto GP has the right to exercise any voting rights on behalf of any Opto Fund under the applicable Underlying Fund's constituent documents, Opto IM intends to vote in the best interest of the Opto Fund or may, in its sole and absolute discretion, request that the Investors therein, or the relevant financial intermediary for a Custom Fund, vote on whatever matters the Underlying Fund has requested that its investors vote on.

**Item 18. Financial Information**

Opto IM is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the Opto Funds and has not been the subject of a bankruptcy proceeding.