

# Gemcorp Capital Advisors LLC

## Part 2A of Form ADV

### The Brochure

12 East 49<sup>th</sup> Street, Suite 21-101  
New York, NY 10017

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This brochure provides information about the qualifications and business practices of Gemcorp Capital Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 1 (646) 875-8953. The information in this brochure (“Brochure”) has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Gemcorp Capital Advisors LLC is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2.     Material Changes**

Gemcorp Capital Advisors LLC (“Gemcorp”, the “Firm”, or the “Adviser”) filed its initial application to register as an investment adviser with the SEC on April 3, 2024. Accordingly, pursuant to disclosure rules under the Investment Advisers Act of 1940 (“Advisers Act”), this is the first Brochure compiled by Gemcorp to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. All recipients of this Brochure are encouraged to read it carefully in its entirety.

In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year’s Brochure.

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## Item 4. Advisory Business

Gemcorp was formed in September 2023 as a Delaware limited liability company with its principal place of business in New York, New York. Gemcorp is directly owned by Gemcorp Holdings Limited (“GHL”), a Jersey holding company. The ultimate beneficial owner of GHL and the indirect majority owner of Gemcorp is Atanas Bostandjiev, one of the key Founders of the Gemcorp Group. Gemcorp is affiliated with the following entities: Gemcorp Capital Management Limited, an investment manager located in London, England that is authorized and regulated by the UK Financial Conduct Authority; Gemcorp Commodities Trading Services (Cayman) Limited, a procurer and transporter of goods and services registered in the Cayman Islands; and also Gemcorp Capital (Services) Limited, a business support services company located in London, England. See additional information in Item 10. Other Financial Industry Activities and Affiliations.

At the time of its initial ADV filing, Gemcorp does not have any assets under management. However, the Firm has registered with the SEC in reliance on Rule 203A-2(c) under the Advisers Act because it has a reasonable expectation to be eligible for SEC registration within 120 days from the date its registration becomes effective. This Brochure provides descriptions of the strategies and policies Gemcorp intends to implement upon effectiveness of its registration.

Gemcorp anticipates providing discretionary investment services to an unlisted closed-end fund organized as a Delaware statutory trust (the “Fund”). The Fund is a diversified, closed-end management investment company that is registered under the Investment Company Act of 1940 (the “1940 Act”). Unlike most closed-end funds, the shares of the Fund will not be listed on any securities exchange. Investors may purchase shares of the Fund directly from the Fund. The Fund will provide liquidity through quarterly offers to repurchase a limited amount of the Fund’s shares. There is no expected secondary trading market in the shares. Gemcorp anticipates that the Fund will be the only “Advisory Client” of the Firm, but the Firm may in the future provide services to additional Advisory Clients.

Gemcorp will invest on behalf of the Fund primarily in assets in commodity-related and commodity-linked instruments, securities and derivatives, supply chain financings as well as physical commodities. The Fund will allocate its investments primarily in credit and credit adjacent instruments and may in the future make equity investments and invest in physical commodities. See additional information in Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.

Gemcorp will manage the Fund in accordance with its investment objectives, strategies, fees, risks and restrictions, which are set forth in more detail in the Fund’s prospectus. Gemcorp does not tailor its advisory services to the individual needs of investors in the Fund and generally does not accept investor-imposed investment restrictions.

Gemcorp has also claimed an exemption from registration with the U.S. Commodity Futures Trading Commission (“CFTC”) as Commodity Pool Operator (“CPO”) pursuant to CFTC Rule 4.5(a)(1) and, accordingly, is not subject to certain regulatory requirements with respect to the Fund (which are intended to provide certain regulatory safeguards to investors) that would otherwise be applicable absent such an exemption.

## Item 5. Fees and Compensation

### Management Fee

Each investor in the Fund will pay a management fee that is calculated and payable quarterly in arrears at the annual rate of 1.50% of the quarter-end value of the Fund's net assets. The specific terms of the management fee are outlined in the Fund's prospectus.

### Incentive Fee

Each investor in the Fund will pay an incentive fee based upon the Fund's pre-incentive fee net investment income. The calculation of the incentive fee is intended to provide the Adviser with an incentive fee of 15% on all of the Fund's pre-incentive fee net investment income subject to a performance hurdle of the Fund's pre-incentive fee net investment income. The specific terms of the incentive fee are outlined in the Fund's prospectus.

### Sales Load

An investor in Class I and Class U shares of the Fund will pay a sales load based on the amount of their gross investment in the Fund. The sales load payable by each investor depends upon the amount invested by such investor in the Fund, but may range from 0.00% to 3.50%. The specific terms of the sales load are outlined in the Fund's prospectus.

### Expenses

In addition to the management fee and the incentive fee outlined in Item 6. Performance Based Fees and Side-by-Side Management, investors in the Fund will also pay their pro rata portion of corporate, organizational and offering costs; the cost of calculating the net asset value of Fund shares; the cost of effecting sales and repurchases of shares and other securities; distribution and/or shareholder servicing fees; investment related expenses; professional fees; transfer agent, sub-transfer agent and custodial fees; distributor costs; fees and expenses associated with marketing efforts; federal and any state registration or notification fees; federal, state and local taxes; the costs of preparing, printing and mailing reports and other communications; fidelity bond and insurances costs, legal expenses, external accounting expenses, costs associated with reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws; and certain other expenses. For more specific disclosure regarding the expenses paid by the Fund, investors should consult the Fund's prospectus.

The Fund's distributions may result from expense reimbursements from Gemcorp, which are subject to repayment by the Fund. Shareholders should understand that any such distributions are not based on the Fund's investment performance and can only be sustained if the Fund achieves positive investment performance in future periods and/or the Adviser continues to make such expense reimbursements. Shareholders should also understand that the Fund's future repayments will reduce the distributions that a shareholder would otherwise receive.

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

Gemcorp anticipates that the Firm will earn performance-based fees based on the performance of the Fund. These fees may create an incentive for the Firm to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such an arrangement.

Each investor in the Fund will pay an incentive fee based upon the Fund's "pre-incentive fee net investment income" for the immediately preceding quarter subject to a hurdle rate expressed as a rate of return on the Fund's net assets equal to 1.00% per quarter (or an annualized hurdle rate of 4.00%), subject to a "catch-up" feature. The "catch-up" provision is intended to provide the Firm with an incentive fee of 15% on all of the Fund's pre-incentive fee net investment income when the Fund's pre-incentive fee net investment income reaches 1.176% of net assets in any calendar quarter. The specific terms of the incentive fee are outlined in the Fund's prospectus.

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

As described in Item 4. Advisory Business, Gemcorp anticipates providing discretionary investment services to an unlisted closed-end fund organized as a Delaware statutory trust. The Fund is a diversified, closed-end management investment company that is registered under the 1940 Act.

The Fund is designed primarily for long-term investors and not as a trading vehicle. An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the Fund's shares. The Fund does not currently intend to list its shares on any securities exchange and does not expect any secondary market for them to develop in the foreseeable future. Therefore, shareholders should expect that they will be unable to sell their shares for an indefinite time or at a desired price.

To provide shareholders with limited liquidity, the Fund is structured as an "interval fund" and intends to conduct quarterly offers to repurchase between 5% and 25% of its outstanding shares at NAV. In connection with any given repurchase offer, it is likely that the Fund may offer to repurchase only the minimum amount of 5% of its outstanding shares.

Investors in the Fund may include, but are not limited to, high net worth individuals, family offices, companies, pension funds, life assurance companies, other regulated investment advisers, and state-sponsored funds. Shares of the Fund are only available to investors who are qualified purchasers.

There is a \$1,000,000 minimum initial investment amount for the Fund, as set forth in the prospectus for the Fund. Complete terms of minimum investment are included in the prospectus for the Fund.

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

*Descriptions set forth in this Brochure of specific advisory services that the Firm offers to Advisory Clients, investment strategies pursued, and investments made by the Firm on behalf of its Advisory Clients, should not be understood to limit in any way the Firm's investment activities. The Firm may offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that the Firm considers appropriate, subject to each Advisory Client's investment objectives and guidelines. The investment strategies that the Firm pursues are speculative and entail substantial risks. Advisory Clients should be prepared to lose some or all of their investment. There can be no assurance that the investment objectives of any Advisory Client will be achieved or that the Firm's attempts to manage risk will be successful. Please see the relevant Advisory Client's governing documents for a full description of risks.*

### Investment Strategy

Gemcorp will invest on behalf of the Fund in a globally diversified portfolio of liquid and illiquid commodity-related and commodity-linked instruments, securities and derivatives, supply chain financings as well as physical commodities. The Fund seeks to achieve its investment objective by (1) providing exposure to asset classes that require specialized expertise (commodities); (2) sourcing differentiated investments through proprietary bottom-up research and an understanding of commodities markets; (3) focusing on risk management; and (4) allocating capital opportunistically among different investment strategies within the commodities space based on the Firm's assessment of opportunities and their relative value.

The Fund will allocate its investments primarily in credit and credit adjacent instruments and may in the future make equity investments and invest in physical commodities. across any number of the following strategies: (a) commodity-linked credit (including broadly syndicated loans and bonds of commodity-producing companies, countries and state owned enterprises, first lien loans, second lien loans, unitranche loans and mezzanine debt as well as relevant credit derivatives) (b) commodity-linked equities (including common and preferred equity, limited partnership interests in commodity related vehicles and private investments in public equity ("PIPES") as well as relevant equity derivatives), (c) supply chain financing (trade finance, physical commodity financings and procurement financings) and (d) physical commodities. Across these strategies, the Fund will source and execute transactions through different investment strategies including through (i) purchasing debt and equity instruments in the secondary market, (ii) originating transactions by directly engaging with relevant counter parties and (iii) opportunistically investing in special situations that take advantage of market dislocations across both expansionary and recessionary economic cycles, as well as transient periods of market volatility.

### Methods of Analysis

Gemcorp will actively construct and manage a portfolio of commodity-related and commodity-linked investments and, as necessary, periodically rebalance the Fund's allocation of assets among different types of investments utilizing the Fund's strategies to seek to optimize the Fund's allocations. The Adviser will also review and rebalance the portfolio based on the relative value of opportunities in each investment strategy and within each investment strategy to achieve the Fund's investment objective under the market

conditions existing at such time. With respect to each investment opportunity, the Adviser intend to take an approach to their investment analysis that will focus on each individual investment considering, as part of any given analysis, the market conditions, global macroeconomic factors and the supply and demand dynamics of a commodity. Gemcorp's investment process will seek to be rigorous, proactive, and continuous, with an emphasis on risk management. Close monitoring of each investment in the portfolio provides the basis for making buy, sell and hold decisions. In managing the Fund's portfolio, the Adviser will utilize the broader Gemcorp platform's deep and experienced teams of commodities specialists to analyze investments and engage in regular monitoring of risk, subject to its overall supervision.

The Firm seeks to ensure that each investment is consistent with the relevant Advisory Client's requirements for prudent risk management which are set out in the relevant governing documents of the Advisory Client.

### Risks

**The descriptions contained below provide a brief overview of certain risks related to the Firm's investment strategies. They are not intended to serve as an exhaustive list, or a comprehensive description of all risks associated with the investment strategies or specific types of securities described herein. Investors in Funds and Separate Accounts should refer to the relevant governing documents for a more complete understanding of the investment objectives and strategies applicable to their investments.**

General Investment and Trading Risks; Risk of Loss. All investments present a risk of loss of capital. Supply and demand for securities and other financial instruments change rapidly and are affected by a variety of factors. Such factors include investment-specific price fluctuations as well as macro- economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments (such as the results of operations, financial condition, sales and product lines of corporate issuers), national and international politics, governmental events and changes in interest rates and income tax laws. In addition, events such as political instability, terrorism, natural disasters, and regional and global health epidemics (including viral outbreaks such as COVID-19) may occur. The Firm may have only limited ability to vary its investment portfolio in response to changing economic, financial, investment and other conditions. No guarantee or representation can be made that the Firm's investment program will be successful. The market price of securities and other financial instruments owned by the Advisory Clients may go up or down, sometimes unpredictably, and investment results may vary substantially.

Business Dependent Upon Key Individuals. The success of the Firm's investing is significantly dependent upon the expertise of members of the Firm's investment management team and any future unavailability of their services could have an adverse impact on the performance of an investment strategy.

Inability to Transact as a Result of Exposure to Material Non-Public Information. From time to time, the Firm may receive material non-public information with respect to an issuer of publicly-traded securities, including in situations where the Firm may have secured the appointment of persons selected by the Firm or other members of the Firm to a portfolio company's board of directors. This could prohibit the Firm from transacting in the securities of the issuer. This can result in substantial risk of loss or loss of opportunity if the Firm is not able to purchase or sell such securities.



Commodities Risk. The Fund may have exposure to the commodities markets, subjecting the Fund to risks not associated with investments in traditional securities. The value of commodity-related investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, including drought, floods, weather, livestock disease, embargoes, and tariffs. The prices of industrial metals, precious metals, agriculture, and livestock commodities may fluctuate widely due to changes in value, supply and demand, and governmental regulatory policies.

Commodities and Commodity-Linked Derivatives. Exposure to the commodities markets, such as precious metals, industrial metals, gas and other energy products and natural resources, may subject the Fund to greater volatility than investments in traditional securities. The commodities markets may fluctuate widely based on a variety of factors including changes in overall market movements, political and economic events and policies, war, disease, acts of terrorism, natural disasters, and changes in interest rates or inflation rates. Because the value of a commodity-linked derivative instrument and structured note typically are based upon the price movements of physical commodities, the value of these securities will rise or fall in response to changes in the underlying commodities or related index of investment.

Natural Resources Risk. The Fund's investments in securities of natural resource companies involve risks. The market value of securities of natural resource companies may be affected by numerous factors, including events occurring in nature, inflationary pressures and international politics. Because the Fund invests significantly in natural resource companies, there is the risk that the Fund will perform poorly during a downturn in the natural resource sector. For example, events occurring in nature (such as earthquakes or fires in prime natural resource areas) and political events (such as coups, military confrontations, acts of terrorism or sanctions) can affect the overall supply of a natural resource and the value of companies involved in such natural resource. Political risks and the other risks to which foreign securities are subject may also affect domestic natural resource companies if they have significant operations or investments in foreign countries. In particular, Russia's military invasion of Ukraine has increased the volatility of many natural resources investments. Rising interest rates and general economic conditions may also affect the demand for natural resources.

Infrastructure Companies Risk. Securities and instruments of infrastructure companies are more susceptible to adverse economic or regulatory occurrences affecting their industries. Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction and improvement programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Commodity Pool Operators and Commodity Trading Advisors. The CFTC has adopted regulations that subject registered investment companies and their investment advisers to regulation by the CFTC if the registered investment company invests more than a prescribed level of its liquidation value in futures, options on futures or commodities, swaps, or other financial instruments regulated under the Commodity Exchange Act ("CEA") and the rules thereunder ("commodity interests"), or if the Fund markets itself as providing investment exposure to such instruments.

With respect to the Fund, the Adviser has claimed an exclusion from registration as a CPO pursuant to

CFTC Rule 4.5. For the Adviser to remain eligible for this exclusion, the Fund must comply with certain limitations, including limits on its ability to use any commodity interests and limits on the manner in which the Fund holds out its use of such commodity interests. These limitations may restrict the Fund's ability to pursue its investment objectives and strategies, increase the costs of implementing its strategies, result in higher expenses for the Fund, and/or adversely affect the Fund's total return. To the extent the Fund becomes ineligible for this exclusion from CFTC regulation, the Fund may consider steps in order to continue to qualify for exemption from CFTC regulation, or may determine to operate subject to CFTC regulation. Changes in the laws or regulations of the United States, including any changes to applicable tax laws and regulations, could impair the ability of the Fund to achieve its investment objective and could increase the operating expenses of the Fund or the Subsidiary. The CFTC has neither reviewed nor approved the Fund or the Subsidiary, their investment strategies, or this prospectus.

Volatility of Commodity Prices. The values of commodities which underlie the commodity futures contracts and other types of financial instruments are generally affected by, among other factors, the cost of producing commodities, changes in consumer demand for commodities, the hedging and trading strategies of producers and consumers of commodities, speculative trading in commodities by commodity pools and other market participants, disruptions in commodity supply, weather and climate conditions, changes in interest rates, rates of inflation, currency devaluations and revaluations, embargoes, tariffs, regulatory developments, governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies, political and other global events and global economic factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in certain markets and this intervention may cause these markets to move rapidly. The Fund has no control over the factors that affect the price of commodities. Accordingly, the value of the Fund's investments could change substantially and in a rapid and unpredictable manner. Other factors contributing to the volatility of commodity prices may include any of the following (i) relatively minor changes in the supply of and demand for electricity or such other commodities; (ii) market uncertainty and the condition of various economies (including interest rates, levels of economic activity, the price of securities and the participation by other investors in the financial markets); (iii) political conditions in the United States and other project locations; (iv) the extent of domestic production and importation of oil, natural gas, natural gas liquids, or metals in certain relevant markets; (v) the foreign supply of oil, natural gas and metals; (vi) the prices of foreign imports; (vii) the level of consumer demand; (viii) the price and availability of alternative electric generation options; (ix) the price of steel and the outlook for steel production; (x) pandemics, wars, sanctions and weather conditions; (xi) the competitive position of electricity, ethanol/biodiesel, oil, gas or as a source of energy as compared with other energy sources; (xii) the industry-wide or local refining, transportation or processing capacity for natural gas or transmission capacity for electric energy; (xiii) the effect of United States and non-U.S. federal, state and local regulation on the production, transportation and sale of electric energy and other commodities; (xiv) breakthrough technologies (such as improved storage or clean technologies) or government subsidies, tax credits or other support that allow alternative fuel generation projects to produce more reliable electric energy or lower the cost of such production compared to natural gas fueled electric generation projects; (xv) with respect to the price of oil, actions of the Organization of Petroleum Exporting Countries; or (xvi) the expected consumption of coking in steel production.

Credit Risk. One of the fundamental risks associated with the Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. The Fund's return to investors would be adversely impacted if an issuer of debt in

which the Fund invests becomes unable to make such payments when due.

Although the Fund may make investments that the Adviser believes are secured by specific collateral, the value of which may initially exceed the principal amount of such investments or the Fund's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. The Fund may also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, the Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of a senior lender, to the extent applicable. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, loans may provide for payments-in-kind, which have a similar effect of deferring current cash payments. In such cases, an issuer's ability to repay the principal of an investment may depend on a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

With respect to the Fund's investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the credit agreement that governs loans of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by the Fund. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of the Fund's investment or a pre-payment (in whole or in part) of the Fund's investment.

Supply Chain Financings (trade finance). The Fund may seek to originate and underwrite trade finance transactions. Trade finance as an asset class typically consists of the financing of commodities during the time it takes to transport the commodities from one geographic location to another. Transactions are privately negotiated between a supplier of a commodity in one location and the buyer of that commodity in another location and are sometimes referred to as "supply chain financing". The Fund may invest in trade finance, structured trade finance, export finance, and project finance, or related obligations of companies or other entities with potential for exposure to emerging markets, all through a variety of forms, structures, and terms. Investing in trade finance may present emerging market risk, where the Fund considers risks tied to political and economic factors (different and often more complex than those faced domestically), ranging from but not limited to: expropriation, confiscation, nationalization, election, or war. Emerging market risk can also produce risk associated with loan market health, additional costs, regulatory practices, accounting standards, credit systems, taxation, and currency risk. Additionally, trade finance may entail transportation and warehousing risk, legal risk, collateral value risk, liquidity risk, and global market risk. Counterparty risk exists in default and fraud, as well as custody risks of theft and natural disaster. Finally, to the extent the buyer does not follow through on the contractual purchase, the Fund bears the price risk of reselling the goods to a new buyer.

Investments in Less Established Companies. The Fund may invest a portion of its assets in the securities of less established companies. Certain of the investments may be in businesses with little or no operating history. Investments in such early-stage growth companies may involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by the Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have

lower capitalizations and fewer resources and are, therefore, often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other investments. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the Fund invests, the Fund may suffer a partial or total loss of capital invested in that company.

**Distressed Credit Investments.** The Fund's distressed credit investments (e.g., investments in defaulted, out-of-favor or distressed bank loans and debt and equity securities) are inherently speculative and are subject to a high degree of risk. Companies experiencing financial distress are often those operating at a loss or with substantial variations in operating results from period to period. Companies experiencing financial distress may be involved in insolvency proceedings and have the need for substantial additional capital to support continued operations or to improve their financial condition and may have very high amounts of leverage. Distressed companies typically are in default under, or have a significant risk of an inability to service, their debt obligations, especially during an economic downturn or periods of rising interest rates, may not have access to more traditional methods of financing and may be unable to repay debt by refinancing. Investments in distressed companies may be premised on a turnaround strategy. If turnarounds are not achieved, these companies could experience failures or substantial declines in value, and the Fund may not be able to divest itself of such unprofitable investments in a timely fashion or at all. Additionally, turnarounds may not be achieved within the contemplated investment horizons.

**Investments in Highly Leveraged Issuers.** The Fund's investments are expected to include investments in issuers whose capital structures have significant leverage (including substantial leverage senior to the Fund's investments), a considerable portion of which may be at floating interest rates. The leveraged capital structure of such issuers will increase their exposure to adverse economic factors such as rising interest rates, downturns in the economy or further deteriorations in the financial condition of the issuer or its industry. This leverage may result in more serious adverse consequences to such companies (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged issuers.

**Risks of Certain Non-U.S. Investments.** The Fund expects to invest a portion of its portfolio outside of the United States. Non-U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities or instruments, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iii) differences between the U.S. and non-U.S. securities markets, including higher rates of inflation, higher transaction costs and potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation in some countries; (v) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation and adverse economic and political development; (vi) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities or instruments; (vii) differing, and potentially less well developed or well-tested laws regarding creditor's rights (including the rights of secured parties),

corporate governance, fiduciary duties and the protection of investors; (viii) difficulty in enforcing contractual obligations; (ix) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (x) reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms; (xi) political hostility to investments by foreign or private investment fund investors; and (xii) less publicly available information.

Foreign Currency Risks. A significant portion of the Fund's investments (and the income and gains received by the Fund in respect of such investments) may be denominated in currencies other than the U.S. dollar. However, the books of the Fund will be maintained, and contributions to and distributions from the Fund will generally be made, in U.S. dollars. Accordingly, changes in foreign currency exchange rates and exchange controls may materially adversely affect the value of the investments and the other assets of the Fund. For example, any significant depreciation in the exchange rate of the Euro, or any other currency in which the Fund makes investments, against the U.S. dollar, could adversely affect the value of dividends or proceeds on investments denominated in the Euro or such other currencies. In addition, the Fund will incur costs, which may be significant, in connection with the conversion of various currencies.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the electric power industry and can have a substantial impact on investments in this industry. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. The electric power industry will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental and special interest groups, and the Adviser will seek to evaluate carefully the expected impact of environmental compliance on all potential investments. The Fund may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified.

Counterparty Risk. The Fund is exposed to the risk that third parties that may owe the Fund, or its issuers, money, securities or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other intermediaries. These parties may default on their obligations to the Fund or its issuers, due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have long-term obligations to make payments to the Fund or its issuers, or executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other intermediaries. Also, any practice of rehypothecation of securities of the Fund or its issuers held by counterparties could result in the loss of such securities upon the bankruptcy, insolvency or failure of such counterparties. In addition, any of the Fund's cash held with a prime broker, custodian or counterparty may not be segregated from the prime broker's, custodian's or counterparty's own cash, and the Fund therefore may rank as an unsecured creditor in relation thereto. The inability to recover the Fund's assets could have a material impact on the performance of the Fund. The consolidation and elimination of counterparties resulting from the disruption in the financial markets has generally increased the concentration of counterparty risk and has decreased the number of potential counterparties.

Highly Volatile Markets. The prices of commodities contracts and derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Investment funds also are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

Cybersecurity Risks. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The Adviser faces various security threats on a regular basis, including ongoing cyber security threats to and attacks on its information technology infrastructure that are intended to gain access to its proprietary information, destroy data or disable, degrade or sabotage its systems. These security threats could originate from a wide variety of sources, including unknown third parties outside of the Adviser. Although the Adviser is not currently aware that it has been subject to cyber-attacks or other cyber incidents which, individually or in the aggregate, have materially affected its operations or financial condition, there can be no assurance that the various procedures and controls utilized to mitigate these threats will be sufficient to prevent disruptions to its systems.

Equity Investments. The Fund may purchase equity securities. Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, preferred securities, convertible stocks and warrants. The values of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. These risks are generally magnified in the case of equity investments in distressed companies.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with Gemcorp. Prospective investors in Fund should read the entire applicable prospectus or other offering materials and consult with their own advisers before deciding whether to invest. In addition, as the investment program develops and changes over time, an investment managed by Gemcorp may be subject to additional and different risk factors.**

## **Item 9. Disciplinary Information**

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

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

As described above in Item 4. Advisory Business, Gemcorp is affiliated with Gemcorp Capital Management Limited Ltd ("Gemcorp Capital"), an investment adviser located in London, England that is authorized and regulated by the UK Financial Conduct Authority; Gemcorp Commodities Trading Services (Cayman) Limited ("GCT"), a procurer and transporter of goods and services registered in the Cayman Islands; and also Gemcorp Capital (Services) Limited ("GCS"), a business support services company located in London, England.

Gemcorp Capital provides structured finance solutions to sovereigns, parastatals and growth-focused corporates, as well as pursuing macro and public credit trading and private equity. Gemcorp Capital's sovereign lending activities are, at times, performed in conjunction with the GCT business to provide bundled solutions to funding and supply chain needs.

GCS provides Gemcorp with support for finance, operations and investment management.

GCT is a physical "trading" platform offering an end-to-end solution for the procurement and transport of goods and services. Unlike other commodity traders, GCT does not accumulate material stocks or take speculative market positions. GCT operates solely by matching existing supply and demand needs in the regions where it operates, while enacting strict risk management practices. GCT provides Gemcorp with sourcing of trades for Advisory Client accounts.

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

Gemcorp has adopted a Code of Ethics ("Code") which, among other things, contains provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by Gemcorp or securities holdings of Advisory Clients and (iii) identify conflicts of interest, including monitoring of gifts and pay-to-play issues that could arise due to political donations by Gemcorp or its personnel.

The Code sets forth a standard of business conduct that takes into account Gemcorp's status as a fiduciary and requires staff to place the interests of clients above their own interests and the interests of Gemcorp. The Code requires staff to comply with applicable federal securities laws. Further, staff are required to promptly bring violations of the Code to the attention of Gemcorp's Chief Compliance Officer. The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by staff. All staff are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

A copy of Gemcorp's Code of Ethics will be provided to any investor or client, prospective investor or client, upon request.

## Item 12. Brokerage Practices

The Firm has full discretionary authority to manage the assets in Advisory Client accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers or other counterparties to be used for a particular transaction, and commissions, mark-ups and markdowns, or other fees paid. For highly bespoke, negotiated transactions, or for those which may be original trading ideas where the Firm has a duty of confidentiality to the originating firm, the Firm will route such orders exclusively to the originating firm since there will be no other available market liquidity within a reasonable timeframe.

### Best Execution

The Firm's primary consideration when placing transactions with particular brokers is to obtain execution in the most effective manner possible. The Firm takes into account a variety of factors, including, but not limited to price, costs, speed, and likelihood of execution. The total cost of a transaction including execution venue fees, clearing and settlement fees, financing fees and any other fees paid to third parties for execution is only one factor.

The Firm may not obtain the lowest possible execution price for Advisory Clients on every single occasion; rather it will verify on an ongoing basis that the execution arrangements it has established result in high quality trade execution and are in the best interests of Advisory Clients. The Firm does not need to obtain the best possible results for its clients on every single occasion; rather it will verify on an ongoing basis that the execution arrangements it has established work well throughout the different stages of the order execution process. The Firm maintains policies and procedures to review the quality of executions.

### Trade Aggregation and Allocation

As stated in Item 4. Advisory Business, at the time of initial Form ADV filing, Gemcorp does not have any assets under management. However, Gemcorp anticipates providing discretionary investment services to an unlisted closed-end fund as its sole Advisory Client. As such, the Firm does not anticipate aggregating client orders for multiple Advisory Client accounts or allocating client orders among multiple Advisory Client accounts. However, the Firm maintains policies and procedures for aggregating and allocating client orders in the event the Firm were to provide advisory services to more than one Advisory Client.

### Soft Dollar

The Firm does not have any formal soft dollar arrangements or other arrangements that would commit any Advisory Client to any specific or implied level of trading. As an institutional money manager, Gemcorp may receive access to research made available through brokerage counterparties or investment banks. The Firm believes this research is available to all institutional money managers of similar size.

### Trade Errors

In the event that the Firm experiences an error with respect to trades made on behalf of the Advisory Clients, the Firm will correct such error in accordance with its policies and procedures. Trade errors are transactions with erroneous placement, execution or settlement that result in an economic impact to the fund (gain or loss) or modify the portfolio's risk profile. The trade error policy specifies that where trade errors occur, they are corrected as soon as practicable; reported in a timely and appropriate manner; and scrutinized carefully with a view toward implementing procedures to prevent or reduce future errors. The Firm will be responsible for the payment of any losses incurred as a result of a trade error. Any gains



resulting from trade errors will be retained by the Advisory Clients. To the extent that a trade error is caused by a counterparty of the Advisory Clients, such as a broker or agent, the Firm will seek to recover any related trade error losses from such counterparty.

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

Gemcorp will perform various daily, weekly, monthly, quarterly and other periodic reviews of Advisory Client investment positions. Such reviews will be conducted in the ordinary course by the members of Gemcorp's finance team. A review of an Advisory Client account may also be triggered by any unusual activity or special circumstances.

The Fund will provide the following reporting to investors:

- Monthly (as determined by the Fund document) statements of NAV, performance and portfolio aggregated exposure snapshots
- Annual letter from Gemcorp describing relevant Fund information
- Annual audited financial statements

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

Neither Gemcorp nor any related person directly or indirectly compensates any person for client referrals, provided however, Gemcorp has entered into a placement agent agreement whereby a placement agent has agreed to introduce potential investors to the Fund. Pursuant to the terms of such placement agent agreement, Gemcorp will pay the placement agent a placement fee consisting of an amount payable monthly and a success fee based on assets raised for the Fund. In the event that a placement agent introduces potential investors to the Fund, a written disclosure document will be provided to referred investors describing, among other things, the material terms of any compensation arrangement between Gemcorp and the placement agent and all material conflicts of interest. In such instances, referred investors should ensure that they receive and read the disclosure document from the placement agent. Gemcorp does not receive any compensation from any third parties for referrals of client or investors, or any other business activities.

### **Item 15. Custody**

Gemcorp does not take or maintain physical custody of any client cash or securities and conducts all business operations such that client cash and securities are preserved in the safekeeping of an independent custodian. Advisory Clients receiving statements directly from such custodians should carefully review those statements and should carefully compare such statements to any reports sent by Gemcorp.

## **Item 16. Investment Discretion**

As described in Item 4. Advisory Business, Gemcorp anticipates providing discretionary investment services in relation to Advisory Client accounts.

Where Gemcorp has discretionary authority to manage the assets of Advisory Clients, the Firm will do so in a manner consistent with the stated investment objectives and guidelines of the relevant Advisory Client. There are no specific limitations placed on this authority, provided that Firm will exercise its discretionary authority in accordance with the investment objectives, strategy and applicable limitations, if any, set forth in the applicable prospectus or other governing documents.

Fund investors do not have the ability to impose limitations on the discretionary authority of Gemcorp. Fund investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

## **Item 17. Voting Client Securities**

It is the policy of Gemcorp to vote proxies in the interest of maximizing value for its clients. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. The Gemcorp analyst(s) responsible for each security will be contacted whenever there is a proxy vote, to determine the appropriate vote to be cast. At times, Gemcorp may determine it is in its clients' best interests to abstain from voting. Notwithstanding the foregoing, Gemcorp generally votes in favor of the management of companies for which the proxies are being voted.

A copy of Gemcorp's proxy voting policy is available upon request.

## **Item 18. Financial Information**

Gemcorp has never filed for bankruptcy and is not aware of any financial condition that is expected to impact clients or investors.